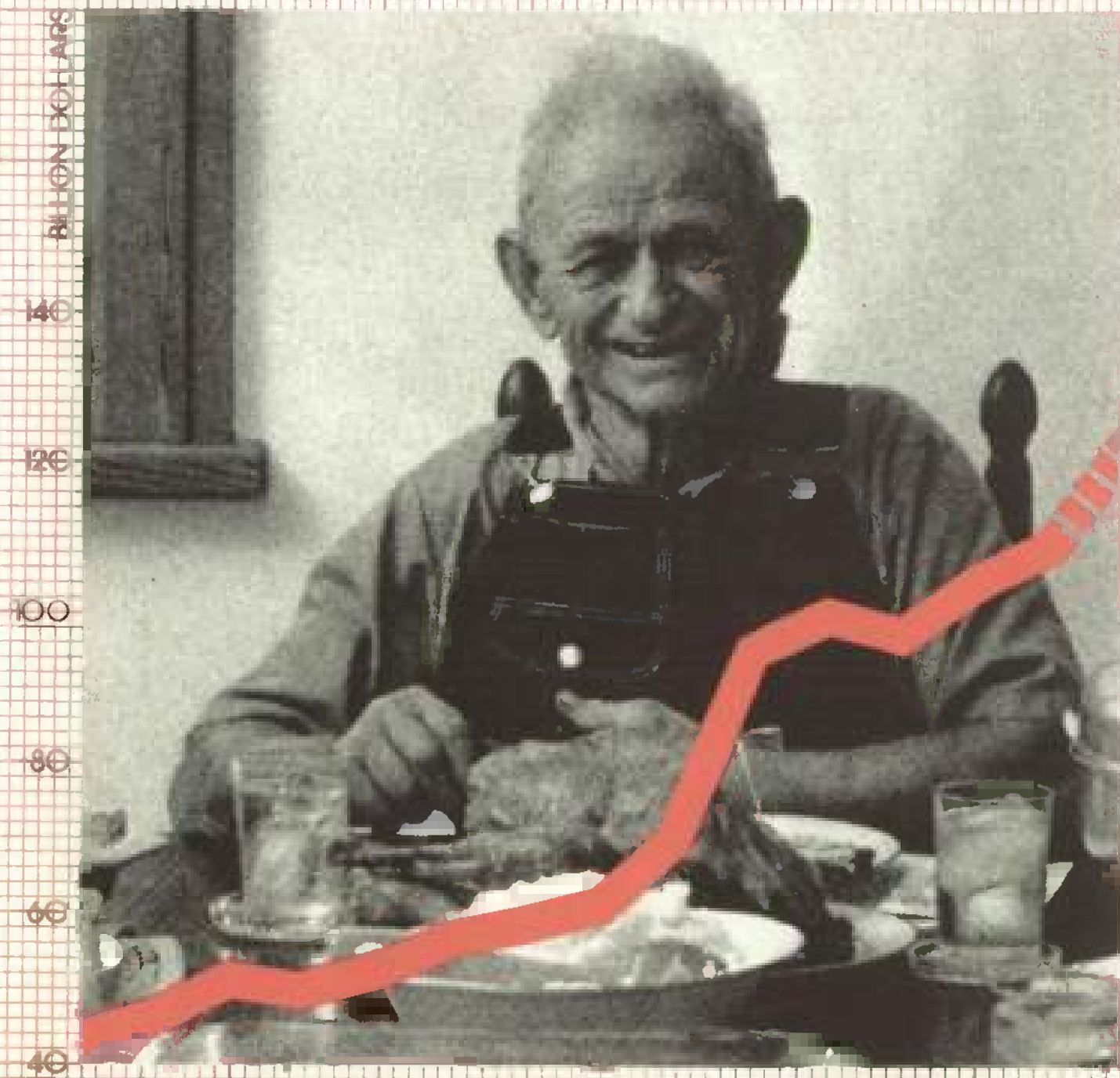


AGRICULTURAL OUTLOOK

USDA • ECONOMICS, STATISTICS, AND COOPERATIVES SERVICE • IAO-39



GROSS FARM INCOME BEFORE INVENTORY ADJUSTMENT (1964-EST. 1978)



December 1978 **AO-39**

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Farm Economy Healthier Heading into 1979

Heading into 1979, the agricultural economy is strong compared to a year ago. This year's crops generally have been good, with record grain supplies. Demand for U.S. farm products has been strong. Exports of farm commodities moved out at a fast pace this summer and fall.

In contrast to abundant grain supplies, smaller cattle herds have reduced market supplies of beef. Expanding supplies of pork and poultry are helping maintain supplies of meat.

Prices for all farm products averaged about 20 percent higher in November 1978 than a year earlier. Cattle prices were 50 percent higher and hog prices 25 percent higher. Wheat prices were up nearly a third and corn and soybean prices were up about a tenth.

Net farm income in 1978 before inventory adjustment will be more than 30 percent higher than last year, reaching \$26 billion. Cash receipts from livestock marketing are running a fifth larger and crop receipts are up slightly, including a big increase for soybeans.

By January 1, 1979, total farm asset values will be 12 percent above a year earlier, or \$790 billion, chiefly because of appreciation in the value of land and livestock inventories.

Cash farm and nonfarm earnings and capital consumption allowances contributed more than last year as sources of cash for the farm sector in 1978, but net borrowings of \$16 billion were still required to finance land purchases and capital expenditures. Total farm debt outstanding will increase to \$136 billion by January 1, 1979, 14 percent above last January 1.

Large harvests of the past several years have facilitated rebuilding of global grain stocks despite continued growth in consumption. Carryout at the end of 1978/79 is likely to reach 226 million metric tons (including rice)—the highest ever. Stocks this large would represent over 16 percent of world consumption, substantially above the low of 11 percent in the mid-1970's when supplies were short.

The rebuilding of grain stocks means that the world is less vulnerable to massive crop shortfalls and extreme price fluctuations such as occurred in early 1970's.

U.S. wheat and feed grains stocks at the close of the 1977/78 crop year were 72 million tons or 44 percent of world grain stocks. The U.S. share of world wheat and coarse grain production was about 24 percent.

By the end of the 1978/79 crop marketing year, U.S. wheat and feed grain stocks are expected to rise to over 80 million metric tons.

Economic Growth Vital To Agriculture

Real growth in the U.S. and world economies is basic to the well being of agriculture. Increases in economic activity expand personal incomes and stimulate consumption and trade of agricultural products. In the United States, for example, growth in employment creates opportunities for off-farm income, which now exceeds net farm earnings.

Economic growth rates are expected to improve in Western Europe and Canada during 1979, but Japanese economic expansion may not match the 1978 pace. Growth rates in most developing countries are expected to continue strong during the next year.

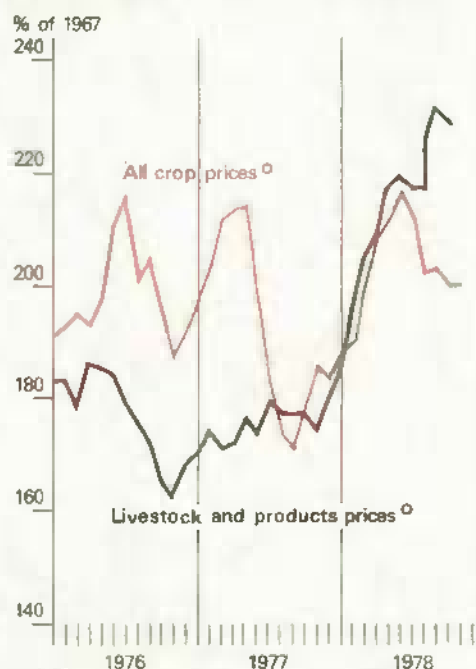
Domestically, we can expect a reduction from 1978's inflation-adjusted growth rate of 4.5 percent. Real economic growth at a 2-3 percent rate is now expected in 1979. This should ease inflationary pressures and reduce the demand for imports. The unemployment rate is expected to remain at around 6 percent.

Real personal disposable income per capita will continue to increase, though at a slower rate than the 4.1 percent estimated for 1978. The income gain should be enough to increase consumer food expenditures substantially and maintain per capita food consumption.

World supplies of agricultural commodities will come into better focus when more is known about 1979 crop prospects, especially prospects for Southern Hemisphere crops. Other factors that will impact heavily on 1979 consumption and trade are:

- Continued commitment by the Soviet Union and the East European countries to upgrade diets through imports of food which

PRICES UP A FIFTH FROM LAST YEAR



○ Prices received by farmers.

will continue to benefit U.S. exports. A decision by the Peoples' Republic of China (PRC) to turn to the United States for more agricultural products will also benefit exports.

— Outcome of the Multilateral Trade Negotiations and national trade policy decisions in the coming year may broaden access to important markets.

1979 Forecasts Summarized

Inflation will persist in 1979, but with the easing of the rate of economic growth, we anticipate the following:

- Food prices are expected to increase 6 to 10 percent in 1979.
- Prospects are good for another year of record farm export sales.
- Increases are indicated for the prices of inputs to agricultural production, but rates of increase will not be as fast as those

which occurred during 1978.

— Higher interest rates and increased lending to cover greater input costs and higher land prices will increase interest payments of farm borrowers.

— Agricultural debt will increase further.

— Higher input costs are expected to offset most of the increase in gross income.

Several policy actions taken recently will affect the agricultural economy. Two of them, the announcement of the feed grain program and the veto of the countercyclical meat import quota bill, continue existing policies with little or no changes.

A new law requires registration of foreign persons holding or acquiring agricultural land in the U.S. USDA will be acquiring data and analyzing the effects of foreign land holdings on family farm and rural communities as soon as registration procedures are completed. Semi-annual reports

will be required under the new law passed by Congress.

The Full Employment and Balanced Growth Act of 1978 sets forth wide ranging economic goals for the country. It restates many of the goals in the Employment Act of 1946, calls for action to curb inflation, and provides for development of a comprehensive national agricultural policy. The long range importance of this Act could be very great. However, the ultimate impact of the Act will depend on the specific policy actions and funding established to implement it.

The Revenue Act of 1978 will reduce individual and corporate income taxes by \$18.6 billion.

The temporary 10 percent investment credit rate was made permanent and certain livestock buildings were made eligible for the credit.

KEY STATISTICAL INDICATORS OF THE FOOD AND FIBER SECTOR

	1976	1977	1978				1979			
	Annual	Annual	I ¹	II	III	IV	Annual	I	II	Annual
							Mid-point ¹	Forecast		
										Range
Prices received by farmers (1967=100)	186	183	193	213	213	216	209	220	221	215-228
Livestock and products (1967=100)	177	175	195	215	220	229	215	232	232	225-245
Crops (1967=100)	197	192	192	212	206	201	202	206	207	195-215
Prices paid by farmers, all items (1967=100)	191	202	211	218	221	223	218	228	232	230-234
Production items (1967=100) ²	198	208	218	226	228	230	226	234	238	237-241
Farm production (1967=100)	117	121	—	—	—	—	120	—	—	—
Livestock and products (1967=100)	105	106	—	—	—	—	107	—	—	—
Crops (1967=100)	121	129	—	—	—	—	128	—	—	—
Farm income ³										
Cash receipts (\$ bil.)	94.5	96.1	102.2	109.0	109.5	114	109	—	—	110-120
Livestock (\$ bil.)	46.2	47.6	52.7	57.5	58.9	62	58	—	—	60-65
Crops (\$ bil.)	48.3	48.5	49.5	51.5	51.0	52	51	—	—	50-55
Gross farm income (\$ bil.)	104.1	108.1	115.8	122.5	122.5	128	122	—	—	123-135
Production expenses (\$ bil.)	83.0	88.0	93.5	96.0	96.0	98	96	—	—	100-106
Net income before inventory adjustment (\$ bil.)	21.1	20.1	22.3	26.5	26.5	30	26	—	—	23-29
Net income after inventory adjustment (\$ bil.) ⁴	18.8	20.6	22.3	24.5	25.5	29	25	—	—	24-30
Market basket: ⁵										
Retail cost (1967=100)	175.4	179.2	188.1	199.1	204.2	206	199	209	213	211-217
Farm value (1967=100)	177.8	178.1	191.1	211.1	214.3	207	208	222	222	218-229
Spread (1967=100)	174.0	180.0	186.4	191.9	198.1	199	194	201	208	207-211
Farm value/retail cost (%)	38	38	38	40	40	40	40	40	39	39-40
Retail prices:										
Food (1967=100)	180.8	192.2	201.8	201.5	215.3	218	211	221	225	224-232
At home (1967=100)	179.5	190.2	199.9	210.0	214.4	216	210	220	223	223-230
Away-from-home (1967=100)	186.1	200.3	210.3	215.9	221.6	227	219	230	234	234-240
Per capita food use (1967=100)	105.6	104.5	—	—	—	—	104.5	—	—	104-105
Animal-products (1967=100) ⁶	104.0	103.9	101.2	101.4	102.4	104.8	103.0	100.2	100.9	101-103
Crop-products (1967=100)	107.4	105.3	—	—	—	—	106.2	—	—	106-108
Agricultural exports (\$ bil.) ⁷	22.8	24.0	6.1	6.5	7.9	6.8	27.3	7.8	7.2	26-32
Agricultural imports (\$ bil.) ⁷	10.5	13.4	3.0	3.9	3.4	3.6	13.9	3.2	3.6	13-15

¹ These midpoint estimates are still surrounded by some uncertainty. An analysis of root mean square errors of the annual forecast made in the fourth quarter since 1971 indicates that the final estimate will be within the following percentages 2 out of 3 times for: prices received by farmers, 3.0 percent; cash receipts, 4.0 percent; net income before inventory adjustment, about a tenth; and retail prices for all food, less than 1 percent. ² Including interest, wages, and taxes. ³ Quarterly data are seasonally adjusted at annual rates; 1978 data are preliminary estimates. ⁴ Includes net change in farm inventories. ⁵ Quarterly data are given at annual rates. 1978 revised to conform with the new Consumer Price Index-All urban. ⁶ Quarterly data exclude fish products. ⁷ Annual and quarterly data are based on Oct.-Sept. fiscal years ending with indicated years, quarters indicated refer to fiscal year quarters, not calendar year quarters. i.e. IV 1977 means July-Sept. 1977, I 1978 means Oct.-Dec. 1977, etc.



Food and Marketing

Food prices are an important factor shaping the inflation psychology of consumers. They are also a critical element in the wage-price spiral now plaguing the economy. With the implementation of the President's anti-inflation program containing voluntary wage-price standards, the behavior of food prices in the year ahead will be of special interest.

In deriving forecasts of food prices, USDA analyses center on price determinants in three broad areas: the farm production sector, the food marketing system, and consumer purchase conditions.

The Farm Production Sector

Even though raw farm commodities have, over time, become a smaller proportion of total food expenditures, conditions in the farm sector are still essential to the food price situation. On the average, the farmers' share of expenditures for domestically produced farm food sold in grocery stores is now about 40 percent. For total food expenditures, including foods consumed away-from-home and foods which do not

originate on U.S. farms, the farm value is a much smaller share (about 26 percent in recent years).

Commodity prices are largely determined by the quantities produced, both domestically and worldwide. Production is, however, heavily influenced by the rather unpredictable forces of nature—weather, pest infestations, and plant and animal diseases. These occurrences are nearly impossible to predict; yet, they are a frequent source of food price forecast errors.

The past year was an excellent example. The major contributors to the larger than anticipated food price increases were red meat and fresh vegetable prices. In both cases, weather was at least the indirect, if not direct, cause. The second consecutive year of severe cold weather, in the primary hog producing states adversely affected the availability of pork. Early indications were for hog farrowings to be 13 percent higher in December through February than in the same period a year earlier. When the pig numbers became available, however, farrowings were actually down 1 percent. Weather-induced disease, breeding, and other problems are resulting in 1978 pork production only 1 percent higher than in 1977. A 10 percent increase was originally forecast.

The weather-induced problems touched off a chain reaction in meat prices. Without the increase pork production, which had been expected to dampen the beef price increases, prices of both beef and poultry increased at a much more rapid rate than expected.

Then, following a prolonged drought, the rains came to California. Planting and harvest schedules for some vegetables, notably lettuce, were disrupted. Lettuce prices, usually in the \$2.50 to \$5.00 per crate range, rose to as much as \$18.00 (300 percent). In addition, the cold weather early in the year affected the availability of some fruits causing their prices to rise unexpectedly.

In the aggregate, the approximate 15 percent increase in all farm commodity prices this year will contribute about 40 percent of the increase in 1978 food prices.

The Food Marketing System

The costs for marketing food—for transforming raw commodities and for transportation from the farm to the supermarket—are becoming increasingly important. In 1978, increased marketing costs for domestically produced farm foods will be responsible for almost one-half of the higher food costs.

The largest single component of the marketing bill is labor, accounting for 47 percent. By year-end, labor costs for 1978 will have increased 10 percent over the 1977 level.

Food marketing costs are also significantly influenced by energy-related input costs. Packaging and transportation costs which account for about 21 percent of total marketing charges importantly reflect energy prices. Packaging costs this year will have increased about 6 percent, while transportation costs will be about 10 percent higher than in 1977.

Consumer Purchase Conditions

The influence of changing conditions for food demand are of varying importance to food prices from year to year. For example, rising incomes, reduced unemployment, and the increased population influenced food prices in 1978, but other changes were influential as well. There are more multiple-income families; family sizes are smaller; social mores (and the role of women and of men) are changing. These changes alter the kinds of foods purchased and the amount of associated services demanded by consumers.

The Food Price Outlook for 1979

One approach to food price forecasting is to separate the major components of total food expenditures and examine each as to expected price movements. The major components of food expenditures are: the value of farm commodities, the costs for marketing services, and the costs for foods without a domestic farm product base.

While the relative proportion of each component varies from year to year, recent weights are:

- the value of farm commodities—26 percent
- costs for marketing services—57 percent
- expenditures for "other" foods—17 percent.

The value of farm commodities can be highly volatile since production is determined by domestic and worldwide weather, policies of major trading nations, and other factors. The rate of change assumed for this category is really critically dependent on weather and its impact on production and total supplies. Crucial to the 1979 food price situation will be developments in both poultry and pork production. As always, favorable weather will be important for abundant fruit and vegetable supplies.

The marketing service component is more directly affected by price changes (inflation) in the general economy than are the other two components. While prices and costs of the various categories such as labor, packaging, transportation, and energy will individually vary, increased costs for the marketing services will at least reflect the underlying rate of inflation.

Price increases in the "other foods" category are largely determined by conditions outside the United States. These are primarily imported products and include such items as fish, coffee, bananas, and sugar. Their prices are highly volatile; since 1970, prices for these foods have risen more than 145 percent, compared to a 60-percent increase for domestically produced foods.

By making alternative assumptions about increased costs in each of these three broad areas, we can develop a range for our 1979 food price forecast.

A conservative estimate of the increase in prices for all farm products next year is 5 percent. This would increase 1979 food prices by 1.3 percent over the 1978 level.

If the inflation rate in the general economy should subside to a 6-percent annual rate, marketing costs would contribute another 3.4 percent to food price increases.

If prices for the "other foods" category increase 8 percent, another 1.5 percentage points is added to 1979 food prices.

Thus, 6 percent might be viewed as a minimum food price increase for next year. This explicitly assumes a slowed rate of

inflation, few weather adversities, and increased output of pork and broilers.

But what if we are not so fortunate? Suppose weather next year were less favorable to agricultural output. And what if the inflation rate moved to 8 percent. This could push price increases to the upper end of our forecast range.

We are near the low point in the cattle cycle, and weather conditions this winter could again thwart increases in pork production. Diseases and the lack of hatching eggs could continue to affect the expected broiler output. Adverse weather could again reduce fruit and vegetable supplies.

Under these generally unfavorable conditions, another advance of 15 percent in farm prices could contribute 4 percent to higher food prices.

Overall inflation at an 8 percent or higher annual rate could, through higher marketing costs, add another 4½ percent.

Another 1.7 percent would be added by increased costs for foods without a domestic farm product base.

This set of circumstances would have food prices again increasing 10 percent for the year.

Having established this rather wide range—6 to 10 percent—can we be more specific about what can logically be expected from our vantage at this point in time?

Our analysis of the world and domestic agricultural supply-demand situation suggests that prices of all farm food commodities will increase 7 percent next year, adding 2 percent to an overall food price increase.

A review of the macro-economy suggests the rate of increase in marketing costs next year will probably be about 7 percent, increasing food prices by 4 percent.

Price increases for foreign foods, fish, and nonalcoholic beverages can be expected to add 1.5 percent to the increase.

Thus, summing over these three components for this current most likely situation, we would expect retail food prices to increase about 7½ percent next year (year over year). As is generally the case, price increases will be most evident during the first half of the year.

Among major food categories, retail meat prices will again contribute significantly to higher food prices. We expect retail prices for beef and veal for all of 1979 to average 10 to 14 percent higher than in

1978. Average prices for all red meats will be about 6 to 10 percent higher. The most noticeable increases will come in the first two quarters of the year.

Prices for processed fruits and vegetables will also increase at a double-digit inflation rate. While prices at the farm level next year are expected to be just slightly higher, retail prices will continue to rise as this year's higher raw product costs are passed through the system and marketing costs continue to increase.

Prices for dairy products, sugar and sweeteners, cereal and bakery products, and fats and oils are expected to increase at about 7 percent for the year.

After consideration of the general economic situation, the supply and demand conditions for agricultural commodities, and the input markets most important to the food sector, it appears that food prices in 1979 will be at least 6 percent higher than in 1978. Poor weather conditions and lower than expected pork and poultry output could push prices as much as 10 percent higher. Our "most likely" estimate is that food prices for the year will average 7½ percent higher than in 1978.

(Based on "The Food Price Outlook for 1979," a talk by J. B. Penn at the 1979 Food and Agricultural Outlook Conference.)

Wages and Labor Costs

Since labor represents about half of total food marketing costs, wage increases in food industries are critical in meeting the President's voluntary price standards. Wage increases will be influenced by terms of existing labor contracts and the outcome of collective bargaining negotiations in 1979.

Union labor contracts affecting 430,000 workers, mainly in food retailing and manufacturing, will be renegotiated in 1979, a much heavier bargaining schedule than in 1978. Although only one of five workers is a union member, collective bargaining settlements often affect wages and benefits throughout the sector.

In food manufacturing, contracts will terminate in 1979 affecting 204,000 workers, two-thirds of the unionized workers in the industry. The majority of these contracts cover workers in the meat packing and the canned fruit and vegetable industries belonging to the Meatcutters and Teamsters unions. The heaviest bargaining periods will occur in the fruit and vegetable industry during the second quarter and in meat packing during the third quarter.

Labor contracts will be negotiated in 1979 for about 212,000 food store workers, two-fifths of the unionized workers in the retail food industry. Negotiations pertain to workers belonging to the Meatcutters, Retail Clerks, and Teamsters.

As bargaining in the retail food industry is decentralized, there will be a large number of negotiations in many locations and settlements may differ considerably. Contract expirations are quite evenly distributed through the year spreading the cost effects of the new agreements over the year.

Labor contracts negotiated in 1978 for retail clerks provided for wage increases typically of 50 cents an hour, coupled with larger contributions by companies to employee health and pension plans.

In June of this year, average hourly earnings in food retailing were 9.4 percent higher than a year earlier. Wage rates in food retailing, while still below the rest of the economy, have been rising faster than the average for the overall economy. During the period 1975 to June 1978, hourly earnings of food store workers rose 27.7 percent compared with an average of 24.7 percent for all workers in the private sector of the economy.

In addition to wage increases negotiated next year, labor costs in the food industry will be strongly influenced by scheduled wage increases and cost-of-living escalator provisions of contracts negotiated in earlier years.

In food retailing, 433,000 workers will receive deferred wage increases averaging 5.9 percent in 1979, about 1 percentage point less than the 1978 increase. Deferred increases in food manufacturing will average 5.7 percent for 104,000 workers in 1979 compared with 6.4 percent in 1978.

Cost-of-living escalators may further increase wages of workers under contract by as much as 1 or 2 percent. Escalator provisions covering 40 percent of manufacturing workers and three-fourths of retail food store workers provide a wage adjustment of 1 cent for each 0.3-0.4 point change in the CPI. However, many of them contain "caps", limits on the amount of increase. Escalators have been accounting for an increasing proportion of total annual wage increases over the years.

Also adding to labor costs in 1979 will be increases in payroll taxes for Social Security and the minimum wage. Payroll taxes will rise from an increase in the tax rate from 6.05 percent to 6.13 percent and in the taxable wage base from \$17,700 to \$22,900.

The scheduled increase in the minimum wage is from \$2.65 to \$2.90 per hour on January 1, 1979. This action will affect a large number of food service workers but the impact on the wage bill may be small. Studies of the 1978 increase in the minimum wage from \$2.30 to \$2.65 per hour show 18 percent of the employees in the coverage group that includes food service workers received pay increases to reach the new minimum wage. These increases added 1.3 percent to the annual wage bill for all covered workers. *Denis Dunham (202) 447-8489*

Food Price Update

The Consumer Price Index for all urban consumers released November 28 showed that the all food price index in October increased 0.8 percent from September on a seasonally adjusted basis. This increase was larger than the monthly increases for August and September but smaller than in the first 6 months of the year. The October increase in food prices is consistent with our forecast of a 10-percent average increase in 1978.

Prices for grocery store foods (food-at-home) were up 0.9 percent from September to October. Prices for meats increased 2.1 percent with larger increases for pork than

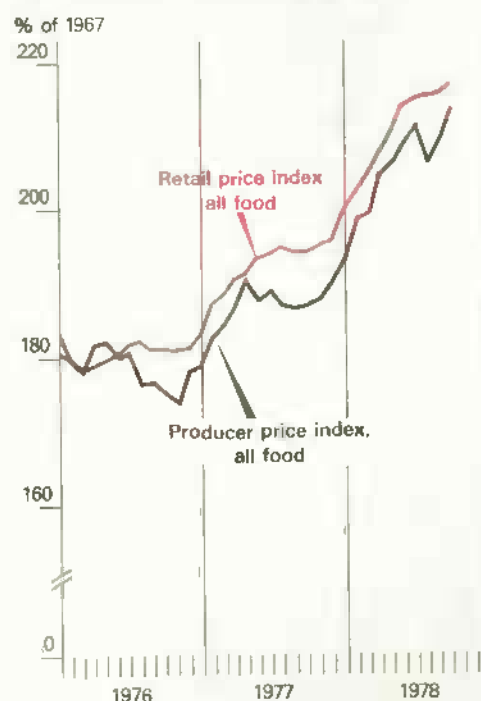
for beef—reflecting higher meat animal prices early this fall. Poultry prices, which declined in August and September, rose 2.5 percent in October. Prices also rose for fruits and vegetables, eggs, dairy products, and cereal and bakery products. Lower prices were reported for sugar, fats and oils, and coffee.

Before seasonal adjustment, the October food price increase was 0.6 percent. Retail prices for domestic farm foods, which account for the major portion of the food-at-home index, also rose 0.6 percent. The farm value of these foods increased 0.7 percent while marketing charges were up 0.6 percent. The retail cost of U.S. farm foods in October was up 14.5 percent from a year earlier—reflecting increases of 22 percent in the farm value and 10 percent in marketing spreads.

Prices for imported foods and fish increased 0.4 percent from September to October. Increases in fish and other imported foods more than offset further price declines for coffee.

Prices for food consumed away-from-home continued to rise. The October index was 0.6 percent above the September level. These prices are 9.8 percent higher than in October 1977. *Larry Summers (202) 447-7330 and Henry Badger (202) 447-8489*

FOOD PRICES ACCELERATE





Commodities

The important price-making trends dominating the livestock markets during 1978 will persist through most of the coming year.

Output of fed beef will exceed year ago levels, but production of nonfed beef will be much smaller because of fewer cattle on farms and ranches and a larger proportion of them are being fed out before slaughter. Total beef output will be down 4 percent.

Pork output seems likely to be only a little larger than a year earlier until about midyear. Slaughter may be up moderately in the second half if the planned 3-percent increase in fall and winter farrowings is carried out.

Prices for Choice slaughter steers may increase to near \$60 per hundred pounds in the spring. Hog prices are projected at around \$50 for the winter and spring.

Consumers have been willing to pay higher prices for meats than forecasters expected. With rising incomes, they will pay even higher prices during coming months. One restraint on higher pork and beef prices will be more abundant supplies of chicken.

Poultry producers have had a better year in 1978 than many expected. Broiler production increased 7 percent, yet prices averaged about 9 percent higher. Turkey production increased 3 percent, but prices rose 12-14 percent. These favorable developments in 1978 are encouraging producers to expand output further in 1979.

Broiler production, estimated at about 10 billion pounds in 1978, may increase about a tenth next year. Smaller supplies of hamburger and other lower-priced beef cuts will help to sustain broiler and turkey prices near 1978 levels, at least through the spring. Cold storage turkey holdings will be smaller on January 1 than they were a year ago, but January-June turkey production may be up 20 to 25 percent.

Egg production increased sharply late in 1977 and sizable increases were maintained through much of 1978. But the resultant low prices checked further increases in output. Output during the first half of 1979 will be about the same as a year earlier. If so, prices should be a little higher than the 58-cent average recorded for cartoned grade A large eggs in New York last winter and spring.

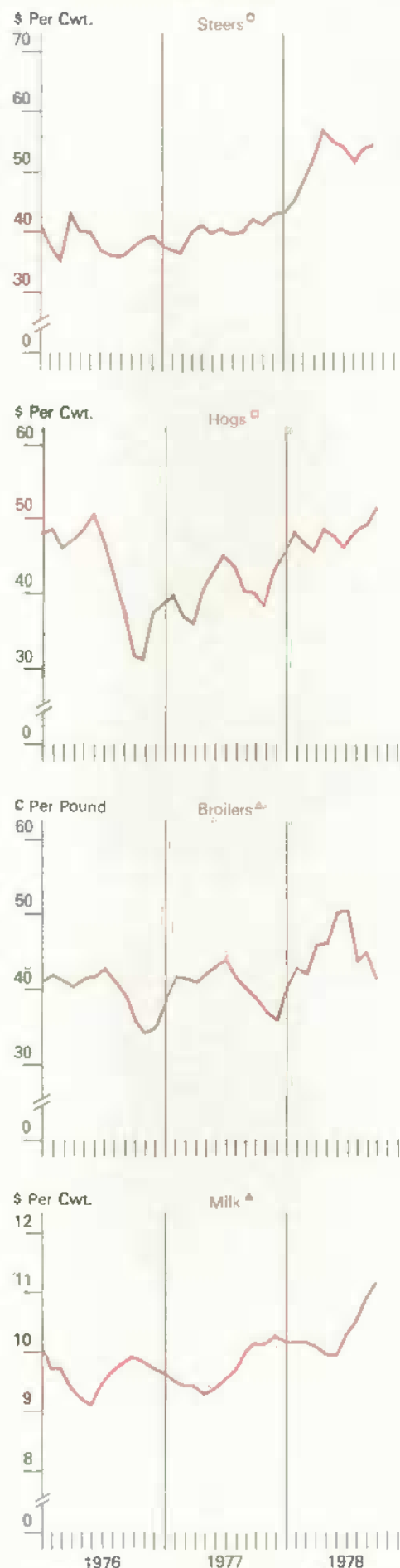
Milk production in 1978 should total 122 billion pounds, 1 percent less than in 1977. Prices are up 9 percent. Prices of cull cows recently were 50 percent higher than a year earlier, while feed costs were 8 to 10 percent higher. Looking ahead, milk output will hold steady, or increase slightly, during the first half of 1979. Milk prices probably will average 6 to 8 percent higher than a year earlier.

Stocks plus new crops of feed grains totaled about 251 metric tons on October 1, up 8 percent from 1977. Disappearance during 1978/79 is expected to total 190 to 210 million tons, compared with 192 million in 1977/78.

Corn carryover and the new crop totaled 7.95 billion bushels, up from 7.26 billion a year before. Of this amount, more than 500 million bushels is expected to be in the farmer-owned reserve, while over 400 million more may be placed under price-support loans. Domestic users and foreign buyers are likely to take 6.1 to 6.7 billion bushels. Thus, season-ending stocks next October 1 are forecast at 1.3 to 1.7 billion bushels, compared to 1.1 billion last fall.

With supplies and use about as expected, prices received by farmers for corn will advance to \$2.15 to \$2.25 per bushel in the spring.

LIVESTOCK PRICES STRONGER



° Choice steers, Omaha. □ Barrows and gilts at seven markets. △ Broilers at nine cities. ▲ Farm price.

For wheat a smaller crop will more than offset larger beginning stocks, so supplies are off 6 percent this season. Total domestic use is declining since there will be less wheat feeding because wheat is not as competitively priced as feed grains. Export movement has been heavy—June-October shipments totaled about 600 million bushels, the second heaviest on record for a similar 5-month period.

Wheat prices have strengthened since the beginning of harvest and recently were about 25 cents per bushel below the \$3.29 release level for wheat in the farmer-owned reserve. Little further price strength is anticipated through early spring.

Rice producers are faced with large supplies and low prices. Production in 1978 was up 39 percent as farmers responded to high prices in 1977/78. Total use is holding up as larger domestic use offsets reduced exports. Rice prices this fall are about \$7.50 per hundredweight. Some slight further price weakness is expected during the winter.

Soybean carryover and new crop totaled about 2 billion bushels, 6 percent more than the 1977/78 supply. Season-ending stocks are forecast at 165 million bushels compared to 159 million carried over this past September 1. With such small stocks in prospect, an unexpected increase in demand for U.S. beans could boost prices to considerably higher levels. Last spring soybean prices rose sharply because the Brazilian soybean crop, which had been increasing 50 million bushels per year, came up about 125 million bushels short of expectations. New crop developments in South America and U.S. acreage prospects are becoming important price-making factors.

The 1978/79 season orange crop is forecast 2 percent smaller than the weather-reduced crop in 1977/78. However, juice yields may rise, so output of frozen concentrated orange juice likely will exceed year-earlier production by about 5 percent. Market prospects for oranges this winter

point to moderately to substantially higher grower prices than last year's high levels. Retail prices will also be up during the winter and spring.

Fall potato production was record large, slightly above a year ago. Farmers planted more acres in 1978 and yields exceeded those in 1977. Export demand has dried up because of favorable growing weather in overseas markets, and producers cannot expect greater domestic consumption despite the good quality of the 1978 crop. The record-large fall potato crop is causing serious price problems for U.S. potato growers. A program approved for Maine is expected to divert 2 million cwt. of potatoes from normal marketing channels. Idaho growers have requested a similar program for their State.

Cotton export forecasts this season are slightly higher than last year, but mill use prospects have been gloomier, crimped by the smaller crop size and excess denim inventories. Cotton production is off 24 percent in 1978—farmers planted fewer acres and yields were down sharply because of weather and disease problems. Stocks are declining and may total only about 4½ million bales next August. Cotton prices have risen about 16 cents a pound since the first of the year, to 66 cents a pound in late November.

The 5-percent larger crop this year more than matches prospective use but the smaller quota carryover for 1979 means next year's flue-cured crop may have to be reduced. The current tobacco quota for burley as well as acreage allotments for other types of tobacco allow for production sufficient for current use. Exports are increasing, while domestic use may hold steady. *Larry Simerl (202) 447-8636 and Donald Seaborg (202) 447-7383*

Electronic Marketing Methods Tested

USDA recently launched three projects to see if computers and high-speed communication devices can bring many distant buyers and sellers into the marketing process and thereby increase open-market competition in negotiating prices.

The three projects underway are:

— Georgia is receiving \$244,000 to develop a nationwide computerized system for trading in gradable nest-run eggs. The State will work with Egg Clearinghouse, Inc., in New Hampshire on the project, which will include development of a system for moving eggs from sellers to buyers through the most efficient transportation routes possible.

— Ohio is receiving \$171,000 to set up computer terminals at Ohio hog collection points for buying and selling slaughter hogs. Some terminals also will be available to hog slaughterers in Ohio and nearby States. The Federal-State market news service will be integrated into the computer network to supply timely market information.

— Virginia is receiving \$107,000 to establish a Statewide telephone auction market for cull cows. Currently, such a system is being used in one small area of the State.

December Situation Report Schedule:

Situation reports which will be released by USDA's World Food and Agricultural Outlook and Situation Board this month are:

Title	Off Press
Poultry & Egg	December 6
Sugar & Sweetener	December 11
Ag Supply & Demand	December 11
Livestock & Meat	December 13
Dairy	December 18
Tobacco	December 20
Cotton & Wool	December 21
Fertilizer	December 26
World Agricultural	December 27

Single copies of the above reports may be obtained by writing to: ESCS Publications, Room 0054 South Building, USDA, Washington, D.C. 20250.



Income and Finance

Net farm income for 1978 is expected to be about \$26 billion before inventory adjustment, a 30 percent gain from last year. The higher income resulted from higher product prices and increased sales of agricultural goods, both in the U.S. and abroad. Gross income, increasing by \$14 billion this year, should amount to \$122 billion. However, some of the larger receipts have been offset by a 9-percent increase in production expenses, which will total about \$96 billion for 1978.

Net income in 1979 is forecast to be near the 1978 level. Gross income is forecast to be in the range of \$125 to \$135 billion. Higher cash receipts, along with increased nonmoney income, will offset a \$5 to \$10-billion rise in production expenses.

Greater total investment in plant and equipment and higher replacement costs will push depreciation allowances above \$17 billion in 1978 and to about \$19 billion in 1979. The higher depreciation allowances represent a production expense, but also make available an additional \$2 billion for replacement of capital items and for other uses.

The total value of farm assets is expected to reach \$790 billion by January 1, 1979, nearly 12 percent higher than at the beginning of 1978. Higher farm real estate values are responsible for seven-tenths of the gain.

Farmers' financial position generally improved because of these higher income levels and growth in asset values. Loan repayment rates are as good or better than last year, delinquencies continue at low levels, and loan funds are generally adequate to meet existing demand.

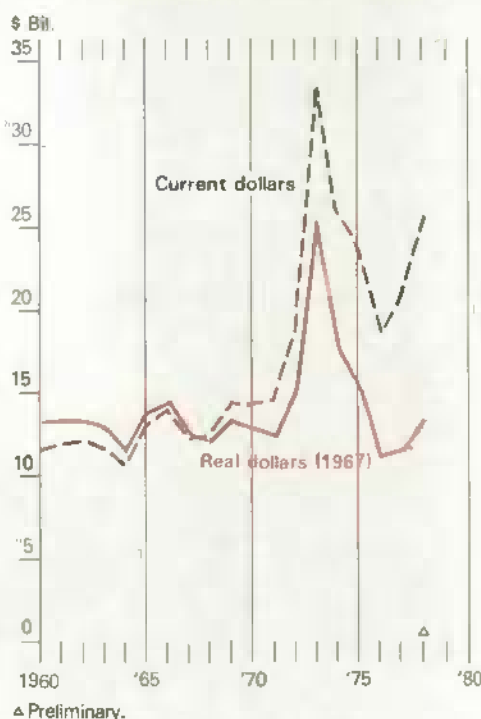
Off-Farm Income Grows

Off-farm income, which is likely to total \$33 billion in 1978, exceeds net farm income for farm operator families. Off-farm earnings have been growing steadily for the last two decades and are likely to increase again next year. Of course, not all families benefit equally from off-farm income.

Real Net Farm Income Grows

Real net farm income increased \$1.7 billion in 1978, the first significant upturn in 5 years. Gross farm income, including inventory adjustments, remained close to \$100 billion from 1973 through 1976, while production expenses increased. This, plus persistent rises in living expenses in the mid-1970's, sharply reduced farm operators' purchasing power from the record high of 1973.

NET FARM INCOME IMPROVES



MAJOR COMPONENTS OF CASH RECEIPTS AND PRODUCTION EXPENSES

	1977	1978 ¹	1979 ¹
	\$ Bil.		
Cash receipts			
Livestock and products	47.6	58	60-65
Crops	48.6	51	50-55
Government payments	1.8	2.5-3.0	2-3
Production expenses	88.0	96.0	101-106
Feed	13.8	14.6	15-16
Livestock	6.7	9.0	8-10
Interest	8.5	9.6	11-12
Depreciation allowances	15.2	17.3	18-20
Taxes	3.8	4.3	5
Fertilizer	6.1	6.8	6
Pesticides	1.9	1.8	2
Fuel	4.0	4.1	4
Repair and operation	5.5	5.9	6
Hired labor	7.4	7.7	8
Other expenses ..	16.1	16.0	17-18

¹ Forecast.

Payments in December

Wheat producers will receive between \$585 million and \$655 million and barley producers between \$65 million and \$80 million in deficiency payments under the 1978 wheat and feed grain programs. USDA announced recently. Payment checks will be mailed beginning in December. Corn and sorghum payments will be made in April.

Emergency Feed Help

USDA provided over \$169 million to help livestock producers buy feed last fiscal year under the emergency feed program. USDA received 139,194 applications during fiscal 1978, of which 108,693—78 percent—were approved to help producers buy up to 13.3 billion pounds of feed (237.8 million bushels, corn equivalent).

Under the emergency feed program, the Secretary of Agriculture may authorize financial aid to farmers when their livestock are threatened by conditions brought on by a natural disaster. Participants may be reimbursed up to 50 percent of the cost for feed purchased during the emergency period, but not to exceed 2 cents a pound in terms of the feed grain equivalent. Texas led in dollar assistance with over \$39 million; California was next with over \$13 million; followed by Georgia with over \$12 million.

Farm Debt Rises 14 Percent in 1978

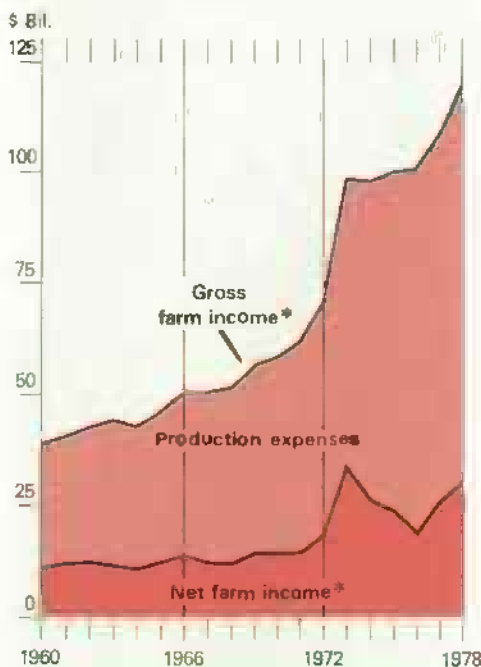
Total farm debt outstanding is expected to reach \$136 billion by January 1, 1979, up 14 percent from a year earlier. Farm real estate debt outstanding is expected to reach \$72.2 billion by January 1, 1979—up 14 percent for the year and the largest annual percentage increase since 1973. This year's increase results from a combination of higher land prices, a slight increase in land transfer rates, and a slight increase in short-term debts being secured with long-term mortgages. Current land market activity, suggests strong demand for real estate loan funds into 1979.

Nonreal Estate Credit Sources Shift

Farm nonreal estate debt outstanding is expected to reach 63.7 billion by January 1, 1979—also up 14 percent for the year. Government lending was the main contributor to this year's increase. Commercial banks' debt outstanding will be up about 7 percent—the lowest rate of increase since 1974. Production Credit Association debt outstanding increased at the lowest rate since 1972—about 9 percent.

In total, 1978 increases in Farmers Home Administration (FmHA) and Small Business Administration (SBA) emergency/disaster loans accounted for an estimated \$3.5 billion. This major switch to these lenders gave them about 40 percent of the nonreal estate debt expansion.

FARMERS GROSS MORE, BUT EXPENSES ALSO RISING



Impact of High Interest Rates

For the most part, adequate loan funds should be available from farm lenders, although at higher interest rates. Intermediate and long-term rates, have risen but not as sharply as short-term rates. The variable interest rate program of the Federal Land Banks (FLB) lessen the effect of fluctuating money market interest rates on FLB rates charged on new loans to farmers. Rates charged by life insurance companies have not been significantly affected and the long-term bond market has not yet reflected the large increases in short-term rates which have occurred.

The higher money market rates are currently having most impact on the agricultural lending by commercial banks, where credit has tightened. The average effective

interest rate on farm loans of banks which was 9.6 percent in August may approach 10 percent by early 1979. With loan-to-deposit ratios already high, some bank customers may switch to other lenders. *Edward I. Reinsel. (202) 447-5457*

Interest Rates Increased Under CCC Credit:

Interest rates for financing sales of U.S. agricultural commodities under the Commodity Credit Corporation (CCC) export credit sales program were increased by 1 percent, effective November 17, 1978.

The new rates for 6- to 36-month credit terms will be 10½ percent with a U.S. bank and 11½ percent with a foreign bank repayment guarantee. Previously the rates were 9½ and 10½ percent, respectively.

FARM DEBT OUTSTANDING

Lenders	January			Change ¹	
	1977	1978	1979 ²	1977-78	1978-79
	\$ Billion			Percent	
Real Estate Debt:					
Federal land banks	18.5	21.4	24.5	16	14
Life insurance companies	7.3	8.5	10.0	15	18
All operating banks	6.8	7.8	8.6	15	10
Farmers Home Administration ³	3.7	4.0	4.4	9	10
Total institutional lenders	36.3	41.6	47.5	15	14
Individuals and others ⁴	20.3	21.7	24.8	7	14
Total	56.4	63.3	72.2	12	14
Nonreal Estate Debt:					
All operating banks	23.3	25.7	27.6	10	7
Production credit associations	12.2	13.5	14.7	10	9
Federal intermediate credit banks ⁵ .....	.4	.4	.4	2	-1
Farmers Home Administration	1.9	3.1	5.4	67	72
Total institutional lenders	37.8	42.7	48.1	13	12
Individuals and others ⁴	7.0	8.2	10.1	15	20
Commodity Credit Corporation	1.0	4.5	5.5	344	23
Total	46.1	55.5	63.7	21	14
Total Farm Debt ⁷	102.2	120.0	135.9	16	14

¹ Calculated from unrounded data. ² Estimated. ³ Includes direct and insured farm ownership, farm housing, soil and water related loans secured by farm real estate. ⁴ Includes seller and other individual financing of farm and real estate sales and unclassified credit sources. ⁵ Loans to and discounts for other financial institutions. ⁶ Includes merchants and dealers, individuals, and all other unclassified credit sources. ⁷ Total may not add due to rounding.



Inputs

The inflation in the general economy impacts agriculture directly by raising input prices. The latest Index of Prices Paid by Farmers for Commodities and Services, Interest, Taxes, and Farm Wage Rates, (November 15) showed the index to be 11 percent above a year earlier.

Price Rise for Petroleum Fuels Likely

Farm use of gasoline has been declining relative to diesel fuel. At the same time, the gap between gasoline and diesel prices has been narrowing. No shortage of either fuel is expected in 1979, nor should food processors expect any middle distillate supply problems. Gasoline prices are forecast to rise 10 to 12 percent during 1979, while diesel prices should increase about 7 percent. In October 1978, farmers paid slightly over 61 cents a gallon for bulk delivery of gasoline and 47 cents a gallon for diesel fuel. Fuel oil cost farmers 49 cents a gallon.

LP Prices Decline

LP gas inventories are above last year and should increase. Propane shortages are unlikely but, if they occur, they will develop in portions of the Northeast, Mid-Atlantic, and Southwest, and they will be caused by distribution and storage limitations, not production deficiencies.

In October 1978, farmers paid 39 cents a gallon for bulk delivery LP, down almost 4 percent from a year ago. Currently, wholesale prices in the Southwest are 20 to 22 cents a gallon, with spot prices sometimes as low as 18 cents.

Natural Gas Supplies Adequate, Prices Higher

No significant industrial shutdowns are expected this winter due to natural gas shortfalls. Natural gas supplies for the coming winter are reported to be slightly higher than last year.

Electricity Prices To Increase

Farmers paid almost 4 cents per kilowatt hour in 1978, an increase of over 8 percent from a year ago. During 1979 prices are likely to increase another 5 to 10 percent. *Patricia Devlin and Palmer Epler (202) 447-4943*

Energy Act Moderates Price Increases For Agricultural Use of Natural Gas

The national energy legislation, which became law in November 1978, will allow fuel prices to increase, but increases in

FUEL AND ENERGY PRICES PAID BY FARMERS

Month and year	Cts. per gal.		Fuels and energy 1967=100
	Diesel	Gasoline ¹	
1976			
Jan.	41.4	52.5	185
Apr.	40.7	51.3	183
July	41.7	54.2	189
Oct.	41.5	54.6	190
1977			
Jan.	43.1	54.7	195
Apr.	44.8	56.4	201
July	45.0	57.8	204
Oct.	45.7	57.5	204
1978			
Jan.	45.8	57.8	206
Apr.	45.8	57.9	206
July	46.0	60.0	210
Oct.	46.7	61.3	215

¹ Bulk delivery.

natural gas prices will be slower for agricultural uses than for low-priority industrial uses.¹ The act also prohibits interstate pipelines from curtailing deliveries for essential agricultural uses unless the gas is necessary for residential users, organizations vital to public health and safety such as hospitals, or other users of less than 50,000 cubic feet on a peak day.

Pesticides Adequate, Prices To Rise Slightly

Prices of major crop herbicides and insecticides were plentiful in 1978 and should be adequate in 1979. However, prices may be 2 to 5 percent higher in 1979 because of increased manufacturing and handling costs. Prices for most insecticides ranged up to 8 percent higher in 1978 than the previous year, but herbicide prices were as much as 10 percent lower than a year earlier.

Because of difficulties in controlling boll worms and tobacco budworms on cotton with other insecticides, several synthetic pyrethroids were granted emergency exemption from registration in 1978. These insecticides have cut heavily into the markets for toxaphene, methyl parathion, and EPN. Although inventories of the synthetic pyrethroids were exhausted by the end of the 1978 season, manufacturing capacity is adequate to ensure ample supplies for 1979.

Herbicide use increased during 1978, chiefly because of a small increase in application rates. A similar gain is in prospect next year because of greater use of broadcast applications, which increase per acre application rates and the availability of a

¹ Agricultural uses include agricultural production, natural fiber production, natural fiber processing, food processing, food quality maintenance, irrigation, crop drying, or as a process fuel in the production of fertilizer, agricultural chemicals, animal feed, or food. Essential agricultural use is that which the Secretary of Agriculture determines is necessary for full food and fiber production.

number of newer products which are adapted to multiple product application and offer improved performance and versatility.

Reduced cotton insect problems cut insecticide sales this year. With more typical insect infestations and if corn and cotton acreage is near 1978 levels, use is expected to rise in 1979. However, expenditures for insecticides are likely to increase because of somewhat greater use and higher prices.

Pesticide reregistration will not have a significant impact on pesticide availability in 1979 for most major crops, but could mean a cutback in 1980 and later years. The 65 pesticide products currently under review account for a fourth of all pesticide sales.

Recent amendments to the Federal Insecticide, Fungicide, Rodenticide Act should make it easier for farmers to use pesticides for treatment of localized problems. The new law allows the States to register pesticides in such cases. It simplifies registration procedures, enabling new products to get on the market sooner and eases rules concerning use. Theodore Eichers (202) 447-6620.

Land, Energy Major Factors In Rising Rice Production Costs

Higher prices for land and energy pushed up rice production costs in 1977 and are continuing to boost them in 1978, according to a recent USDA report.

This year's increases, however, are at lower rates than in previous years and are at a level comparable with the overall rate of inflation.

Higher energy costs translate into higher operating costs for farm machinery and irrigation pumping equipment. In 1977, the cost of drying rice after harvest was, in some areas, one-third higher than in 1975; that upward trend will probably continue.

The cost of land, based on prevailing high land values and high interest rates, was more than 50 percent above 1975 in Arkansas' Grand Prairie. In 1978, the rate of increase for land abated in most regions; land costs actually declined in California.

Yearly itemized costs of production and returns for the six major U.S. rice-growing regions are included in the report. Single copies are free while they last from ESCS Publications, Room 0054-S, USDA, Washington, D.C., 20250. Ask for "Costs and Returns for Rice, 1975, 1976, 1977, with Projections for 1978" (Stat. Bull. No. 613).

FARM MACHINERY RETAIL SALES AND PRICES

Item	Jan.-Oct.		Change 1978/77
	1978	1977	
	Units		Pct.
2-wheel drive tractors	114,242	107,919	+5.9
40 to under 100 hp	57,772	55,421	+4.2
100 hp and over	56,470	52,498	+7.6
4-wheel drive tractors	7,488	6,479	+15.6
Total tractors	121,730	114,398	+6.4
Combines	28,380	25,776	+10.1
Cornheads			
Balers (under 200 pound bales)	20,262	20,602	-1.7
Forage harvesters	10,313	11,599	-11.1
Mower conditioners	24,211	21,146	+14.5
Prices paid by farmers:	Sept. Index 1967=100		
Tractors and self-propelled machinery	245	272	+11
Other machinery	253	276	+9

Farm Machinery Sales Strong, Prices Higher in 1979

Farmers used part of their real income gains to buy more machinery in 1978. Sales increased for nearly all types of farm machinery, but gains were especially big for large items such as 4-wheel drive tractors and combines.

Average prices for tractors and self-propelled machinery increased 11 percent between September 1977 and September 1978. Other farm machinery prices rose an average of 9 percent. These increases reflect higher machinery production and distribution costs. For example, prices for iron and steel products and wages of workers in farm machinery production rose 11 percent and 10 percent, respectively, from 1977 to 1978.

Inventories of most farm machinery items are adequate going into 1979. Prices next year will be up somewhat—perhaps 5 to 8 percent. Theodore Eichers (202) 447-6620

Fewer Tractors, More Horses On U.S. Farms

U.S. farmers began this year of record crops with fewer tractors than at any time since 1955. However, the smaller number of tractors was more than offset by the increase in horsepower—and value per tractor has kept pace with bigger and more versatile units, more comfort options, and inflation.

After reaching a peak of over 4-3/4 million units in 1965, farm tractor numbers have been declining steadily, dipping below 4½ million units in 1974. The decline from 1976 to 1977 was a bit less than 1 percent, but new tractor sales last year dropped 5 percent. This downward trend in tractors on farms is partly the result of the declining number of farms, but it also reflects slow sales in recent years.

While making do with fewer tractors overall, farmers continue to purchase increasingly larger size units which generally can do more field work in less time. New tractors sold in 1977 averaged 105 horsepower, and the average size of tractors on farms on January 1, 1978, was estimated at 55 horsepower. This compares with 53 horsepower the previous year and 44 horsepower at the beginning of the decade.

Despite declining tractor stocks on U.S. farms, rising prices for replacements have nearly doubled the total value of all farm tractors in just the last 5 years—to over \$21 billion. Average value per tractor was \$4,876 at the beginning of this year, compared with \$4,368 the previous year and \$1,721 back in 1970. Recent increases in new tractor prices (for September 1976 to September 1977) averaged 8 to 9 percent for two-wheel-drive tractors and 4 percent for four-wheel-drive units.

Fertilizer Prices Mixed

Large domestic inventories, increased availability of anhydrous ammonia from foreign sources, and stable demand will prevent significant price increases for nitrogen materials.

Prices of phosphate fertilizers will hold firm through June 1979 with a chance for small increases because of strong export demand for phosphate materials.

Prices paid by farmers for potash this fall are up over 4 percent from a year earlier and could rise by another 4 percent by next spring.

Fertilizer Use To Increase Slightly

Fertilizer use is expected to rise from the diminished levels of last season, although set-aside programs for grains similar to the 1978 programs have been announced for the upcoming season. It appears that fall fertilizer applications encouraged by generally drier weather were greater than 1977. An earlier, more normal, spring next year would allow farmers more time to apply fertilizer than was possible in 1978.

U.S. consumption of all primary plant nutrients will increase to about 22.2 million tons in 1978/79, closely approximating 1976/77 levels. Nitrogen consumption will be about 10.6 million tons. Phosphate and potash consumption will be about 5.6 and 5.9 million tons, respectively.

Fertilizer inventories have been worked down from their March 1978 peaks, but several million tons of unused high-cost anhydrous ammonia capacity will remain idle because of a serious excess capacity situation. Nitrogen fertilizer producers with expensive natural gas feedstock contracts have reduced losses by closing their plants. They are purchasing ammonia from other lower cost domestic and foreign producers.

Large manufacturers' inventories have contributed to lower prices. Nitrogen inventories were up about 40 percent in July over a year earlier with inventories of ammonia and nitrogen solutions up the most. However, since summer the inventories have been reduced as manufacturers cut back production.

Inventories of phosphate fertilizers have also decreased. They will decline further as consumption of phosphate fertilizers increases.

Imports will provide the major share of potash supplies. Supplies available from Canadian producers are plentiful.

Fertilizer Trade

Fertilizer imports and exports in 1978/79 will have a strong influence on domestic prices and capacity utilization. Low cost ammonia imports will tend to hold prices at current low levels and prevent idled domestic plants from restarting operations. The export market will be appealing to domestic producers with large inventories to work down. Strong overseas demand will be an important influence in increasing phosphate prices slightly in the face of sluggish domestic markets.

Imports

The quantity of total fertilizer imported is virtually unchanged for the first quarter of the 1978/79 fertilizer year, at about 3 million metric tons. But, the composition of imports has shifted significantly. Anhydrous ammonia imports have more than doubled to over 400,000 metric tons. That increase is nearly matched by the decline in imports of urea, potash, nitrogen solutions and ammoniated phosphates.

Rural America Examined

After decades of population loss and economic decline, rural America progressed significantly in improving its social and economic condition during the 1970's, according to a recent USDA publication.

"Rural Development Perspectives," prepared by the Economics, Statistics, and Cooperatives Service (ESCS), contains articles on many aspects of rural development, including population trends, women in the rural labor force, rural housing and volunteers in rural communities.

Single free copies of "Rural Development Perspectives" (RDP-1) are available from ESCS Publications, Room 0054-S, USDA, Washington, D.C. 20250.

Mexican ammonia imports totaled about 100,000 metric tons during the July-September quarter, up from about 8,500 metric tons a year earlier. This amount may be approached in subsequent quarters as Mexico has announced its intentions to export about 600,000 metric tons of ammonia this year. At least 40 percent is earmarked for the United States.

Ammonia imports from the USSR totaled 94,500 metric tons in July-September 1978 compared with none during the same quarter of 1977. Russian ammonia began to flow into the U.S. last winter when the first phase of a long term fertilizer trade agreement between a U.S. firm and the Soviet Union commenced. Under terms of the agreement, the firm is to take delivery of 1.2 million tons of ammonia in 1979 and much of it is likely to be shipped to the United States. Thus, increased rates of Russian ammonia imports are almost certain this year.

Exports

A weak domestic market has prompted U.S. producers to vigorously seek overseas customers. U.S. producers for the July-September 1978 quarter exported about 7.6 million metric tons of products, nearly 28 percent higher than a year earlier. Increased quantities of urea, diammonium phosphate (DAP), phosphoric acid, concentrated superphosphate, and phosphate rock were exported.

When nitrogen trade is examined in terms of nutrient content the July-September 1978 quarter registered a net export balance of about 166,000 metric tons. Exports totaled 666,000 million metric tons of nitrogen while about one-half million metric tons were imported. The fertilizer industry has apparently responded to increased imports of low-priced ammonia by exporting more valuable upgraded nitrogen fertilizer products. *Paul Andrienas, Richard Rorivedt (202) 447-6620*

For further information obtain a copy of the 1979 Fertilizer Situation (FS-9) to be published in December 1978.



Policy

The 1979 feed grain program was announced in November. Loan rates remain the same as in 1978, but target prices increased for corn, sorghum, and barley. The barley set-aside requirement was increased from 10 to 20 percent, but no diversion was announced. Set-aside requirements and diversion for corn and sorghum were unchanged.

The higher target prices and the fall announcement are expected to increase participation to some degree.

Higher participation, coupled with yields below this year's exceptional crop, would put next year's ending feed grain stocks in the 40-48 million metric ton (mmt) range, somewhat below expected ending stocks of 50-53 mmt for this year's crop. The Administration's goal for U.S. carryover stocks of feed grains is 5.7 percent of world consumption, or 42 to 44 mmt. The 1979 set-aside program provides a reasonable expectation of meeting that goal.

Farmers' reactions to the recent strength in feed grain prices will play a key role in determining the acreage for next year. Use of the farmer-owned reserve for their 1977 and 1978 crops has kept market prices better than hoped for so far this year.

With continued strong prices, farmers' incentives to participate in the 1979 set-aside and diversion programs would be diminished on the basis of price expectations formulated between now and planting of next year's crop. If participation in the 1979 set-aside and diversion program is less than projected, production would be greater and the price-support effectiveness of the loan program reduced because of a smaller percentage of farmers eligible to use the program. Cecil Davison (202) 447-8840

Meat Import Quota To Decline In 1979

The veto of the beef import bill (H.R. 11545) means the quantity of fresh, chilled and frozen beef, veal, mutton, and goat meat imported into the United States next year will continue to be subject to the current Meat Import Act.

The proposed bill would have allowed more beef to be imported when U.S. beef production was low, and less when production was high. The Administration vetoed the bill because it would have placed addi-

tional restrictions on the President's authority to increase or suspend quotas, and because the minimum access level for meat imports was considered too low.

Under the current act, imports follow changes in 3-year moving averages of domestic meat production. Since expected lower beef production in 1979 will cause this average to fall, the 1979 adjusted base quota will also fall.

In 1978, the adjusted base quota was 1,184 million pounds (product weight). The quota must be invoked by the President whenever it appears that meat entering the U.S. from exporting countries will exceed a trigger level of 110 percent of the quota for the year. The trigger level was 1,302 million pounds in 1978. Voluntary restraints were negotiated in early 1978 at 1,292.3 million pounds, slightly below the trigger point. Under certain conditions, President can also suspend the quota or negotiate a level of imports above the quota. As a step to slow food price increases, the President in June 1978 increased the quota by 200 million pounds.

FEED GRAIN PROGRAM DETAILS

	1977	1978	1979
Corn			
Target price (\$ per bu.)	2.00	2.10	2.20
Loan level (\$ per bu.)	2.00	2.00	2.00
Set-aside (percent)	—	10	10
Diversion (percent)	—	10	10
Diversion payment (\$ per bu.)	—	.20	.10
Voluntary reduction (percent)	—	5	10
National program acreage (mil. acres)	—	67.6	63.7
Sorghum			
Target price (\$ per bu.)	2.28	2.28	2.30
Loan level (\$ per bu.)	1.90	1.90	1.90
Set-aside (percent)	—	10	10
Diversion (percent)	—	10	10
Diversion payment (\$ per bu.)	—	.12	.10
Voluntary reduction (percent)	—	5	10
National program acreage (mil. acres)	—	13.7	13.2
Barley			
Target price (\$ per bu.)	2.15	2.25	2.40
Loan level (\$ per bu.)	1.63	1.63	1.63
Set-aside (percent)	—	10	20
Diversion (Percent)	—	10	—
Diversion payment (\$ per bu.)	—	.12	—
Voluntary reduction (percent)	—	20	30
National program acreage (mil. acres)	—	7.4	6.5
Oats			
Loan level (\$ per bu.)	1.03	1.03	1.03
Rye			
Loan level (\$ per bu.)	1.70	1.70	1.70

Search for a Sugar Policy To Continue

Sugar will be among the first issues taken up by the House Agriculture Committee when the 96th Congress convenes.

The 95th Congress did not ratify the International Sugar Agreement and adopt a new domestic price support program. However, administrative actions can be taken under existing law to provide support for the 1979 crop—which will begin to be harvested in Hawaii and Puerto Rico on January 1, 1979.

Under existing statutes, the President and Secretary of Agriculture can adjust import fees, change the currently non-restrictive import quota, maintain a price support loan program, purchase sugar in the market, and reinstitute a payments program to support prices for the 1979 and later crops.

The Administration has announced that it will, through the use of import fees, seek to support the market price objective of 15 cents which it endorsed in the Congressional conference on sugar legislation in the 95th Congress.

Income Tax Rules Revised

The recently passed Revenue Act of 1978 provides for cuts in taxes on income amounting to \$12.7 billion annually for individuals, \$3.7 billion for businesses, and \$2.2 billion for capital gains. This reduction compares with an increase of \$9.0 billion annually in payroll taxes.

There are a number of changes in the Act affecting individuals and firms in the food and fiber sector.

Farmers will have greater incentives to incorporate their businesses because of substantial reductions in the corporate tax rate schedule. Firms with taxable incomes between \$50,000 and \$100,000 will receive the greatest percentage deductions by incorporating under the new tax rates.

Complex changes in the taxation of capital gains will reduce taxes on this important income category. Most important changes were those which will increase the proportion of qualifying long-term capital gains which are tax exempt from 50 percent

to 60 percent, and a restructuring of the minimum tax so that long-term capital gains have less effect on the amount of "minimum tax" individuals must pay.

Individuals selling homes also received new tax advantages. Most important of these new provisions is a one-time exemption from tax on the profits from the sale of an individual's principal residence if the individual is 55 years old or older. The maximum amount exempt from tax is \$100,000, and this provision is retroactive to July 26, 1978.

The temporary 10 percent investment credit rate was made permanent, as was the temporary limit on the amount of newly installed used machinery which was eligible for the credit (\$100,000).

Two other changes in the investment credit are completely new and will have far reaching consequences. For the first time, investment credit will be allowed on expenditures to rehabilitate industrial and commercial buildings—if they have been in use over 20 years.

Also new is the availability of the investment tax credit for certain types of newly constructed buildings. Eligibility for investment credit on specialized structures for swine, dairy cows, and chickens was authorized, retroactive to August 15, 1971. This provision should effectively resolve a long-standing debate between the Internal Revenue Service and individual farmers whether or not these expenditures were eligible.

After November 1, 1978, cooperatives will be able to take advantage of the investment credit without first deducting patronage dividends. This change will have the effect of increasing the amount of credit which cooperatives may claim.

FEDERAL INCOME TAX RATES FOR CORPORATIONS

TAXABLE INCOME	Old rate	New rate
	Percent	
First \$25,000	20	17
Second \$25,000	22	20
Third \$25,000	48	30
Fourth \$25,000	48	46
Over \$100,000	48	46

Full Employment and Balanced Growth Act Reviewed

The Full Employment Act reemphasizes and amends the goals for economic policy of the Employment Act of 1946.

The bill, among other things, provides for the development of a comprehensive national agricultural policy that assures:

- Adequate production,
- Farm and ranch income at full parity levels,
- Renewed commitment to the protection and conservation of rural land and water,
- Support for programs and public services designed to respond to the unique economic and social conditions of rural communities.

Also, the President is directed to initiate policies to reduce the rate of inflation which will include:

- Monitoring and analyzing inflationary trends,
- Establishing programs, such as stockpiling agricultural commodities, for alleviating shortages,
- Removing or modifying government restrictions,
- Increasing exports by means such as reduction of foreign barriers to exports through international negotiation and agreement.

Foreign Owners To Report On Agricultural Land Holdings

The Agricultural Foreign Investment Disclosure Act of 1978 (AFIDA), enacted last October require that foreign persons owning U.S. agricultural land, who are not permanent residents of the United States, report their holdings to the Secretary of Agriculture. The purpose of the law is to provide additional data for analysis of the effects of unregulated foreign investment on family farms and rural communities. Procedures are now being developed gathering the data.

For further information contact Paul Sindt (202) 447-4351.



World Agriculture and Trade

U.S. agricultural exports are projected to reach \$29 billion in fiscal 1979 (October 1978-September 1979), surpassing the record \$27.3 billion last year. Higher prices will support the growth; export volume will likely remain near last year's record 122 million tons.

While \$29 billion is the most likely export estimate for fiscal 1979, there are factors which could result in a variation of as much as \$3 billion above or below this figure.

For example, should the Southern Hemisphere have bumper crops, world demand for U.S. products could slacken somewhat. On the other hand, unexpected crop shortages next year will affect import levels in the latter part of the year. Also, economic developments here and abroad will influence the strength of world demand and the value of the dollar. Agricultural, food, and trade policy changes could also alter the forecast.

The U.S. agricultural trade surplus in fiscal 1979 is projected at \$15 billion, up from last year's \$13.4 billion. The increase is attributable entirely to larger exports as imports are expected to increase slightly. Fiscal 1979 will be the sixth straight year with an agricultural surplus in excess of \$10 billion.

Exports Continue Strong

U.S. exports continue strong, despite larger world crops of grains and oilseeds. Global demand for foods, and other raw materials is increasing as a result of economic expansion, population growth, and efforts to upgrade diets. In addition, the expansion of hog and poultry production in many areas requires larger supplies of feedstuffs.

The value of our farm sales to the developing countries is expected to expand more than a tenth, with the largest increases to East and Southeast Asia and the Middle East.

Japan will account for most of the export gain to the developed countries. Larger exports to the People's Republic of China (PRC) and Eastern Europe are expected to more than offset the reduction in shipments to the USSR.

Imports Stable

U.S. agricultural imports are expected to increase only slightly from the \$13.9 billion in 1978. The increase will come from competitive imports as was the case last year. Volume gains are forecast for sugar, wine, and tobacco. In addition, value increases are expected for imports of meats, vegetables, and fruits.

Imports of non-competitive items are expected to be about \$6.3 billion down slightly from the \$6.6 billion in fiscal 1978. Coffee import volume is expected to increase after 2 years of decline but will remain well below normal levels. The green coffee import price is expected to decline sharply from last year's \$3.65 per kilogram. Import volume gains are forecast for spices, bananas, and tea, but crude rubber and cocoa bean volume is expected to remain near last year's levels. Sally Byrne, (202) 447-8261.

VALUE OF U.S. AGRICULTURAL EXPORTS¹

Region	Fiscal year		
	1976/ 77	1977/ 78	1978/ 79 ²
	\$ Bil.		
Western Europe	8.63	8.73	8.9
European Community	6.86	6.65	6.7
Other Western Europe	1.77	2.08	2.2
Eastern Europe	1.0	1.12	1.3
USSR	1.08	1.87	1.5
Asia	8.08	9.47	11.1
West Asia	1.09	1.30	1.5
South Asia .....	.68	.66	.7
Southeast and East Asia (excl. Japan and PRC)	2.47	2.92	3.6
Japan	3.84	4.23	4.5
PRC	(³)	.37	.8
Canada	1.57	1.59	1.6
North Africa .....	.78	.97	1.1
Other Africa .....	.56	.65	.6
Latin America	2.13	2.76	2.8
Oceania .....	.15	.15	.1
Total ⁴	23.97	27.30	29.0

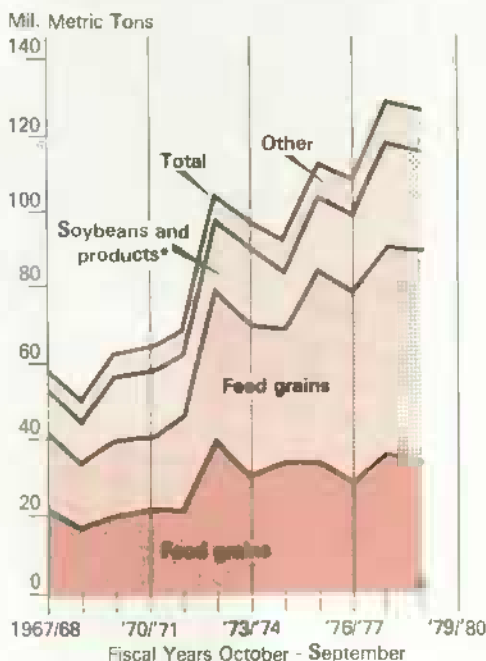
¹ Adjusted for transshipments through Canada and Western Europe. ² Forecast. ³ Less than \$50 million. ⁴ Totals may not add due to rounding.

Chartbook Released

The 1978 *Handbook of Agricultural Charts*—a graphic portrayal of trends in America's agriculture issued recently by USDA—includes 270 charts backed with a brief explanatory text and many supporting tables. For easy reference, the charts are grouped into seven main sections: The Farm, Natural Resources, Population and Rural Development, The Consumer, Food and Nutrition, Foreign Production and Trade, and Commodity Trends.

To order a single free copy of the 1978 *Handbook of Agricultural Charts* (AH-551), write ESCS Publications, Rm. 0054-S, USDA, Washington, D.C. 20250.

U.S. AGRICULTURAL EXPORTS TO STABILIZE



*Includes soybean equivalent of products. A Forecast.

Spotlight on Coffee

A sizable increase in the world's coffee crop—up nearly a tenth from 1977/78—along with lower coffee prices—may lead to a slight gain in per capita use this year.

USDA's latest estimate puts the 1978/79 global crop at 74.5 million bags (roughly 133 pounds each). Brazil's crop, which over the years has fluctuated sharply due to repeated freezes, is estimated at 20 million bags in 1978/79 and between 18 to 21 million bags in 1979/80. The freeze in Brazil this past summer caused significant damage to the 1979/80 crop but not nearly as severe as in 1976/77.

Coffee prices at retail are leveling off and are expected to average between \$2.50 and \$2.80 a pound early next year. Word of the Brazilian freeze caused a mild price surge in green coffee prices in September-October, even though this year's Brazilian crop was largely undamaged.

Per capita use, which dropped sharply in 1977 due to high prices is expected to recover modestly in 1978. Forecasts put use at around 9.8 pounds per person, up slightly from 1977 but still well below the 12.6 pounds of 1976.

Consumption may reach at least 10 pounds per person next year, but the relatively high prices in prospect although below this year's level aren't likely to encourage a bigger increase. *Fred Gray and Larry Larkin (202) 447-7290.*

World Grain Crop Record High

The world grain harvest (wheat, coarse grains, and rough rice) is expected to reach a record 1.53 billion tons in fiscal 1979, up from 1.44 billion in 1978 and the previous record of 1.47 billion in 1977. Production is up sharply in the United States, USSR, Western Europe, and the Southern Hemisphere. Consumption is unlikely to match production, and global carryover stocks are expected to increase by a fifth or more.

World trade may be up slightly. Demand is increasing in Japan, the PRC, and the fast-growing developing countries, particularly East Asia. Soviet imports also are expected to continue at a moderate level. Record crop production in the European Community (EC) may reduce its grain imports. In fact, the EC may step up exports substantially through the help of subsidies for wheat and barley.

Production prospects for grains appear very favorable for the major Southern Hemisphere grain exporters (Australia, Argentina, South Africa and Brazil).

As a result of expanded area and improved yields, wheat production in Australia and Argentina is expected to rise sharply from 1977/78's reduced output. Production, however, is not likely to equal the 1976/77 high. Wheat crops in Australia and Argentina, harvested in November and December, have benefitted from very good weather, and substantial gains are anticipated. The expanded 1979 crops will provide stiff competition for U.S. exports in calendar 1979.

Coarse grain production in the Southern Hemisphere exporting countries is expected to rebound from last year's reduced harvest.

All of the gain is expected to come from better yields and larger area in Brazil and better yields in Australia. Argentine production is expected to decline 10 percent because of lower yields and slightly reduced area.

Soviet Grain Harvest Sets Record

Chairman Brezhnev on November 27 stated that the 1978 Soviet grain crop was a record 235 million tons. That's 5 percent above the previous record of 224 million tons in 1976, primarily due to grain yields averaging 3 percent above the previous record.

The Soviet wheat harvest is estimated to be up more than 5 percent from the previous peak of 110 million tons in 1973. However, coarse grain output probably was about 9 percent short of the record 115 million tons harvested in 1976. Much of the grain harvested in European USSR in 1978 probably was of poor quality.

The 1978 Soviet grain crop is roughly equal to estimated Soviet use during 1978/79. Feed use of grain is projected at 125 million tons, about 55 percent of total use; food use at 46 million tons; and seed and dockage-waste—at 29 million and 26 million tons, respectively. Only about 4 million tons of grain are used for industrial purposes.

Soviet grain imports during 1978/79 will probably continue at about 15 million tons. The USSR is obligated to purchase 3 million tons of U.S. wheat and a like amount of U.S. corn under the U.S.-USSR grain purchase agreement. In addition, the Soviets will likely purchase some wheat from such traditional suppliers as Canada and Australia.

GRAIN PRODUCTION AND EXPORTS, MAJOR SOUTHERN HEMISPHERE EXPORTERS

	Production			Exports ¹		
	1976/77	1977/78	1978/79 ²	1976/77	1977/78	1978/79 ²
Mil. metric tons						
Wheat						
Australia	11.7	9.4	14.5	8.5	11.2	8.0
South Africa	2.2	1.8	1.5	.2	.2	.1
Argentina	11.0	5.3	7.4	5.6	2.5	2.6
Total	24.9	16.5	23.4	14.3	13.9	10.7
Coarse grains						
Australia	5.0	4.1	6.7	3.3	1.9	2.8
South Africa	10.2	10.8	10.0	1.4	2.8	3.7
Argentina	16.9	17.8	16.0	9.2	10.8	10.2
Brazil	19.4	14.8	19.4	1.3	1.0	.4
Total	51.5	47.5	52.1	15.2	16.5	17.1

¹ July-June. ² Forecast.

However, the Soviets likely will purchase more than the minimum 3 million tons of U.S. corn—since their own corn crop was one of the smallest in recent years. Also, such grain imports would permit a buildup of carryover stocks. *Fletcher Pope, Jr. (202) 447-8380*

Record Chinese Grain Imports Anticipated

The PRC will be importing record amounts of grain during the July 1978-June 1979 year, with the United States supplying a substantial share for the first time since 1974.

USDA is now projecting China's imports at 13 million tons of grain, nearly 30 percent above the previous record of 8.6 million tons in 1977/78. Wheat imports are expected to reach a record 9 million tons, making China the world's largest wheat importer. China will also be importing substantial amounts of corn—an estimated 4 million tons—for the first time since 1974.

China's large grain imports appear to be due to a combination of factors. Grain production has grown only slowly since 1974, resulting in a tight domestic supply situation. The 1978 grain harvest is expected to be a record, but the increase in production is likely to be well below the 15-million-ton increase over the poor 1977 crop targeted for the year.

Additionally, demand for grains in China has grown as a result of new emphasis on raising urban and rural standards of living. Growth of livestock production—especially hogs and poultry—has been particularly stressed. Emphasis on livestock production has a potentially important impact on China's grain requirements. But, it is not known how much of the corn purchased this year is for feed use. In the past, China has tended to purchase corn for human consumption when grain import requirements have been high.

The heavy grain imports, together with an apparent willingness on China's part to consider U.S. agricultural products more favorably than in the past, have caused a sharp rise in U.S. sales to the PRC.

Since last April, the United States has sold the PRC over 6 million tons of grain. By the end of November, U.S. sales of nearly 4 million tons of wheat and over 2 million tons of corn had been registered. Purchases of U.S. wheat for delivery during the 1979/80 marketing year are already nearing 1 million tons, suggesting that the PRC intends to continue importing significant amounts of U.S. grain.

Large deliveries of grain, together with substantial sales of cotton and other agricultural commodities, will push the value of U.S. agricultural exports to China during calendar 1978 to over \$600 million, approaching the record \$664 million of 1974. *Frederic M. Surls, (202) 447-8380.*

Prospects Good for Southern Hemisphere Soybeans

Brazil's soybean growing regions have enjoyed good weather and regular rains since the end of October. Therefore, yields, given conditions to date, should approximate the average for 1975-1977. Added to an expected increase in total area of about 4 percent, total Brazilian soybean production for 1979 should be about 13.5 million tons, versus 9.9 million last year.

Planting of the Argentine soybean crop has only begun and may continue through the first week of December without danger of reduced yields. Wet weather in October hindered corn planting and may cause some shift to soybeans. The extent of any such shift will not be known for some time.

Yields in 1979 are unlikely to equal the unusually high levels of 1978. However, Argentina's soybean area is expected to increase at least 30 to 40 percent, pushing total production in 1979 to 3.0 to 3.2 million tons. Production could be even higher if a substantial shift from corn to soybeans occurs.

If conditions permit big crops in Brazil and Argentina, the principal oilseed producers of the Southern Hemisphere, world production of protein meals and oils is expected to increase about 6 percent and over 4 percent, respectively. *Gene Hasha (202) 447-9160*

Foreign Agriculture Circulars

USDA's Foreign Agricultural Service issues a number of Foreign Agriculture Circulars at irregular intervals during the year on various commodities and export services for the food and agricultural trade. These circulars are distributed without cost to U.S. residents. If you wish to be placed on the mailing list for any of these reports, you should write to: Foreign Agricultural Service, Information Division, Information Services Staff, Room 5918 South, U.S. Department of Agriculture, Washington, D.C. 20250.

Titles

Oilseeds and Products
Grains other than rice
Livestock and Meat
Cotton
Coffee
Dried Pulses
Processed Fruits
Fresh and Processed Citrus Fruits
Cocoa
Dairy
Fresh Deciduous Fruits and Grapes
Dried Fruits
Hops
Tree Nuts
Poultry and Eggs
Rice
Seeds, Field, and Vegetable
Sugar
Tea and Spices
Tobacco
Vegetable Fibers
Wool
Honey
Fresh and Processed Vegetables
Table Olives
Strawberries and Other Berries
Tropical Fruits



Recent Publications

Below is a list of selected USDA publications, arranged by subject area, which may be of interest to you. To order reports, write directly to the issuing agency (indicated in parentheses after each report citation) at the address listed below. When ordering be sure to list the publication number and provide your zipcode.

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AMS Information, Room 3620, U.S. Department of Agriculture, Washington, D.C. 20250

ESCS Reports

The publication order form provided on the inside back cover shows the publication numbers for ESCS reports listed below. Simply circle those you would like to receive and mail to ESCS Publications, Room 0054 South Building, U.S. Department of Agriculture, Washington, D.C. 20250.

FAS Reports

FAS Information, Room 5918 South, U.S. Department of Agriculture, Washington, D.C. 20250

State Reports

Publications issued by a State may be obtained by writing the address shown in parentheses. No copies are available from the U.S. Department of Agriculture.

New report listings, by subject matter

Cotton

Japan as a Market for U.S. Cotton. FAS M-286 (FAS).

Economic Importance of the Louisiana Cotton Industry, D.A.E. Research Report 539. (Department of Agricultural Economics and Agribusiness, Louisiana State University, Baton Rouge, Louisiana 70803).

The Relationship of Cotton Yield and Acreage to the Louisiana Economy, D.A.E. Research Report 540. (Department of Agricultural Economics and Agribusiness, Louisiana State University, Baton Rouge, Louisiana 70803).

Farm Production

Economic Effects of a Prohibition on the Use of Selected Animal Drugs. AER 414 (ESCS).

Normalized Prices for Resource Planning: A Comparison of Alternatives. ESCS 39 (ESCS).

U.S. Seed Exports, Quantity, Value, and Destination, July-September and September, 1977/78 and 1978/79 Marketing Years. FFVS 3-78 (FAS).

World Poultry Meat and Egg Production Forecast to Increase in 1978. FPE 3-78 (FAS).

Fruits and Nuts

1978/79 Processed Cherry Production in France and Italy Drops, Following Improved Output in 1977/78. FCAN 4-78 (FAS).

Brazilian and U.S. Exports of Orange Juice Up. POF 4-78 (FAS).

Northern Hemisphere Production of Apples and Pears Up in 1978. FDAP 3-78 (FAS).

World Edible Tree Nut Situation. FN 4-78 (FAS).

Grains

An Analysis of U.S. Rice Distribution Patterns. AER 413 (ESCS).

Costs and Returns for Rice, 1975, 1976, and 1977, with 1978 Projections. SB 613 (ESCS).

World Grain Situation and Outlook for 1978/79. FG 18-78 (FAS).

Livestock and Meat

Fourth Quarterly Outlook for World Meat Production and Trade in 1978. FLM 11-78 (FAS).

Export Earnings of Livestock and Products Gained in August, Trade Deficit Narrowed. FLM MT 15-78 (FAS).

Milk

World Milk Output up in 1978; Butter Stocks Build While NFDM Holdings Drop. FD 3-78 (FAS).

Oilseeds and Products

U.S. July Oilseed Trade Above Year-Earlier Level. FOP 12-78 (FAS).

U.S. Oilseed Exports Up in August, Imports Drop. FOP 13-78 (FAS).

Population and Rural Living

Housing Credit: A Rural-Urban Comparison. RDRR 6 (ESCS).

Distribution of Mental Health Manpower in Facilities in the United States with Rural-Urban Comparisons. MP 920. (Maryland Agricultural Experiment Station, University of Maryland, College Park, Maryland 20740).

Relationship of Attitudes and Selected Socio-economic Characteristics in a Food for Work Program, MP 933. (Maryland Agricultural Experiment Station, University of Maryland, College Park, Maryland 20740).

Sugar and Sweeteners

The Honey Industry of Mexico: Situation and Prospects. FAS M-285 (FAS).

World Honey Output up in 1978. FHON 1-78 (FAS).

Pricing Methods for Raw Sugar in Louisiana, D.A.E. Research Report 538. (Department of Agricultural Economics and Agribusiness, Louisiana State University, Baton Rouge, Louisiana 70803).

Tobacco

A History of Maryland Tobacco Research, MP 934. (Maryland Agricultural Experiment Station, University of Maryland, College Park, Maryland 20740).

Vegetables

Maryland Consumers View Fresh Tomato Marketing, MP 937. (Maryland Agricultural Experiment Station, University of Maryland, College Park, Maryland 20740).

Tomato Processing Output Expands in Europe, Turkey, and Mexico; European Community Subsidizes Tomato Products. FVEG 4-78 (FAS).

State Report

Agricultural Statistics for Louisiana, 1964-1977, D.A.E. Research Report 541. (Department of Agricultural Economics and Agribusiness, Louisiana State University, Baton Rouge, Louisiana 70803).

Statistical Indicators

Farm Income

Gross and net farm income¹

	First-half			1976				1977				1978		
	1976	1977	1978	IV	I	II	III	I	II	III	IV	I	II	III
	\$ Bil.													
Cash receipts from farm marketings . . .	96.1	96.6	105.6	93.3	98.9	93.2	92.6	97.6	95.7	91.3	99.6	102.2	109.0	109.5
Livestock and products	47.2	46.4	55.1	46.4	47.9	45.2	45.1	46.3	46.6	47.8	49.5	52.7	57.5	58.5
Crops	48.9	50.2	50.5	46.9	51.0	48.0	47.5	51.3	49.1	43.5	50.1	49.5	51.5	51.0
Nonmoney and other farm income ² . .	9.4	10.8	13.6	9.2	9.5	9.6	10.0	10.5	11.0	11.4	15.2	13.6	13.5	13.0
Gross farm income	105.4	107.4	119.2	102.5	108.4	102.8	102.6	108.1	106.7	102.7	114.8	115.8	122.5	122.5
Farm production expenses	82.2	87.2	94.8	79.5	85.0	84.5	82.9	87.5	87.0	86.0	91.4	93.5	96.0	96.0
Net income before inventory adj. . . .	23.2	20.2	24.4	23.0	23.4	18.3	19.7	20.6	19.7	16.7	23.4	22.3	26.5	26.5
Net change in farm inventories	-2.5	-.3	-1.0	1.5	-3.5	-1.2	-3.2	-1.0	.5	0	2.1	0	-2.0	-1.0
Net income after inventory adj.														
Current Prices	20.7	19.9	23.4	21.5	19.9	17.1	16.5	19.6	20.2	16.8	25.5	22.3	24.5	25.5
1967 Prices ³	12.4	11.2	12.2	12.9	11.8	9.9	9.5	11.1	11.2	9.2	13.8	11.8	12.7	12.9

¹ All estimates starting with calendar year 1975 were updated in July; quarters of 1978 are subject to revision as year progresses. Quarterly data are seasonally adjusted at annual rates. ² Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. ³ Deflated by the consumer price index for all items. 1967=100.

Cash receipts from farming

	January-June			1977	1978					
	1976	1977	1978	Sept	Apr	May	June	July	Aug	Sept
	\$ Mil.									
Farm marketings and CCC loans ¹	41,864	42,096	45,934	8,284	7,110	7,750	8,338	7,342	9,040	9,342
Livestock and products	23,223	22,874	27,111	4,099	4,707	4,967	4,767	3,662	4,741	4,839
Meat animals	13,701	13,166	16,943	2,456	2,969	3,162	2,973	1,764	2,917	3,101
Dairy products	5,786	5,890	6,246	963	1,072	1,119	1,046	1,058	1,050	1,017
Poultry and eggs	3,405	3,475	3,641	633	615	632	697	791	728	677
Other	331	343	281	47	51	54	51	49	46	44
Crops	18,641	19,222	18,823	4,185	2,403	2,783	3,571	3,680	4,299	4,503
Food grains	2,922	2,428	1,902	738	176	181	633	931	1,142	808
Feed crops	5,765	5,126	4,794	783	502	690	899	831	836	804
Cotton (lint and seed)	914	1,019	716	193	32	44	8	37	119	164
Tobacco	356	436	332	424	14	20	0	71	516	398
Oil-bearing crops	3,203	4,339	4,658	471	582	699	712	695	536	648
Vegetables and melons	2,218	2,330	2,275	777	343	504	524	435	533	803
Fruits and tree nuts	1,414	1,584	2,135	414	312	388	548	453	332	452
Other	1,849	1,960	2,011	385	442	357	247	227	285	426
Government payments	260	477	1,190	88	298	150	64	75	57	162
Total cash receipts ²	42,124	42,573	47,124	8,372	7,408	7,900	8,402	7,417	9,097	9,504

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

	January-June			1977	1978					
	1976	1977	1978	Sept	Apr	May	June	July	Aug	Sept
	1967=100									
All commodities	105	106	105	130	92	97	110	105	120	126
Livestock and products	107	110	110	116	112	114	109	93	110	107
Crops	102	101	97	150	64	74	113	123	134	151

Cash receipts¹ from farm marketings, by States, January-September

	Livestock and Products		Crops ²		Total ²	
	1977	1978	1977	1978	1977	1978
	S Mil.					
NORTH ATLANTIC						
Maine	202.1	200.2	122.9	88.7	325.0	288.9
New Hampshire	40.9	40.5	17.2	17.4	58.1	57.8
Vermont	180.3	197.2	16.6	15.8	196.9	213.0
Massachusetts	77.5	76.6	77.1	79.1	154.7	155.8
Rhode Island	8.2	8.2	10.7	11.2	18.9	19.4
Connecticut	96.8	97.3	85.8	78.5	182.6	175.7
New York	890.0	967.2	378.4	382.3	1,268.4	1,349.6
New Jersey	74.7	73.3	195.9	222.4	270.6	295.8
Pennsylvania	969.6	1,059.7	428.7	434.9	1,398.3	1,494.7
NORTH CENTRAL						
Ohio	863.9	976.3	1,127.6	1,139.8	1,991.4	2,116.1
Indiana	950.1	1,084.6	1,183.1	1,066.3	2,133.2	2,150.9
Illinois	1,371.2	1,602.1	2,879.6	2,866.4	4,250.8	4,468.5
Michigan	620.6	688.2	663.0	738.6	1,283.6	1,426.7
Wisconsin	1,937.5	2,130.3	377.4	472.6	2,314.9	2,602.9
Minnesota	1,655.7	1,894.6	1,207.9	1,459.9	2,863.6	3,354.6
Iowa	3,228.0	3,798.6	1,952.3	1,900.8	5,180.3	5,699.4
Missouri	1,159.7	1,409.9	626.2	765.4	1,785.9	2,175.3
North Dakota	333.2	407.4	839.1	844.3	1,172.3	1,251.7
South Dakota	825.0	970.4	302.3	409.2	1,127.3	1,379.6
Nebraska	1,612.2	1,949.8	952.3	1,020.2	2,564.5	2,969.9
Kansas	1,639.1	2,026.2	1,180.1	998.2	2,819.2	3,024.4
SOUTHERN						
Delaware	134.7	157.0	49.3	49.6	184.0	206.6
Maryland	320.6	361.6	155.0	155.8	475.6	517.4
Virginia	410.0	453.1	237.9	245.8	647.9	698.9
West Virginia	73.9	72.9	27.8	45.0	101.8	117.9
North Carolina	793.5	882.7	972.4	1,030.9	1,765.9	1,913.6
South Carolina	202.5	235.0	358.2	348.1	560.7	583.1
Georgia	918.9	1,051.4	602.5	663.8	1,521.5	1,715.2
Florida	568.5	656.0	1,389.9	1,862.7	1,958.4	2,518.8
Kentucky	523.1	613.6	499.0	416.3	1,022.1	1,029.9
Tennessee	516.6	625.4	298.5	277.8	815.1	903.2
Alabama	697.7	826.1	264.9	349.1	962.6	1,175.2
Mississippi	591.3	687.1	266.7	345.3	858.0	1,032.5
Arkansas	880.6	986.5	544.0	608.5	1,424.6	1,595.0
Louisiana	304.9	360.9	324.0	404.6	628.9	765.5
Oklahoma	863.8	983.8	566.0	475.1	1,429.8	1,458.9
Texas	2,590.1	3,137.1	1,983.4	1,502.0	4,573.4	4,639.1
WESTERN						
Montana	201.2	245.0	323.7	312.8	524.9	557.8
Idaho	348.0	418.7	414.3	422.6	762.3	841.3
Wyoming	211.7	239.1	34.8	35.8	246.5	274.9
Colorado	1,035.9	1,374.5	362.0	325.8	1,397.9	1,700.3
New Mexico	284.9	347.5	118.0	94.7	402.9	442.2
Arizona	390.9	477.9	401.8	354.7	792.6	832.6
Utah	189.5	220.7	65.6	50.3	255.0	271.0
Nevada	57.8	67.9	31.6	23.1	89.5	91.0
Washington	380.6	430.3	858.2	961.5	1,238.7	1,391.8
Oregon	263.0	305.1	468.1	490.8	731.1	795.9
California	2,181.4	2,395.0	3,951.5	4,098.4	6,133.0	6,493.4
Alaska	3.3	3.2	3.7	4.0	7.0	7.2
Hawaii	48.5	47.7	194.5	207.4	243.0	255.1
UNITED STATES						
Grand Total	34,723.7	40,321.4	30,391.3	31,174.5	65,115.1	71,496.2

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Production¹

Items	1971	1972	1973	1974	1975	1976	1977	1978 ²
1967=100								
Farm output	110	110	112	106	114	117	121	120
All livestock products ³	106	107	105	106	101	105	106	107
Meat animals	109	109	108	110	102	105	105	107
Dairy products	101	102	98	98	98	103	105	104
Poultry and eggs	106	109	106	106	103	110	112	117
All crops ⁴	112	113	119	110	121	121	129	128
Feed grains	116	112	115	93	114	120	124	131
Hay and forage	105	104	109	104	108	102	108	113
Food grains	107	102	114	120	142	141	131	123
Sugar crops	116	127	112	104	130	128	117	119
Cotton	145	187	175	158	112	142	195	148
Tobacco	86	88	88	101	110	108	98	102
Oil crops	121	131	155	127	153	132	171	178
Cropland used for crops	100	98	103	106	108	109	111	108
Crop production per acre	112	115	116	104	112	111	116	119

¹ For historical data and explanation of indexes, see *Changes in Farm Production and Efficiency*, Statistical Bulletin 612. ² Preliminary indexes for 1978 based on November 1978 Crop Production and other releases of the Crop Reporting Board, ESCS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	January-June			1977	1978					
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct
1967=100										
Prices Received										
All farm products	188	188	203	177	215	217	215	210	215	217
All crops	196	205	202	178	212	216	212	202	203	200
Food grains	224	154	188	161	193	191	190	191	191	195
Feed grains and hay	221	204	189	152	202	197	186	176	174	174
Feed grains	219	196	186	145	198	194	184	173	170	171
Cotton	246	290	230	236	239	244	251	252	248	265
Tobacco	158	173	183	177	183	183	186	194	206	199
Oil-bearing crops	180	282	222	193	239	237	228	224	225	229
Fruit	126	135	210	219	222	257	258	244	274	241
Fresh market ¹	123	126	217	234	233	274	277	261	299	259
Commercial vegetables	159	189	204	162	213	208	188	159	164	159
Fresh market	171	218	235	179	247	251	220	172	179	172
Potatoes ²	232	194	202	179	209	256	334	256	179	158
Livestock and products	183	173	205	176	217	219	217	217	226	232
Meat animals	181	166	213	170	233	236	228	228	238	248
Dairy products	190	188	201	201	199	199	201	208	217	224
Poultry and eggs	177	178	180	163	181	182	197	185	189	182
Prices Paid										
Commodities and services										
Interest, taxes, and wage rates	191	202	215	201	219	220	220	220	223	224
Production items	192	201	212	198	217	218	218	217	220	222
Feed	186	201	184	164	188	188	184	179	178	179
Feeder livestock	162	156	204	164	229	223	227	227	239	247
Interest payable per acre on farm real estate debt	287	331	384	331	384	384	384	384	384	384
Taxes on farm real estate	178	195	210	195	210	210	210	210	210	210
Wage rates (seasonally adjusted)	211	226	245	220	246	246	243	243	243	237
Production items, interest, taxes, and wage rates	198	209	222	206	227	228	227	227	229	231
Prices received (1910-14=100)	471	469	508	442	538	543	537	525	537	543
Prices paid, etc. (Parity index) (1910-14=100)	647	686	730	685	744	747	748	749	757	760
Parity ratio ³	73	68	70	65	72	73	72	70	71	71

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweet potatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, interest, taxes and wage rates.

Prices received by farmers, U.S. average

	January-June			1977	1978					
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct p
Crops										
All wheat (\$/bu.)	3.52	2.32	2.71	2.30	2.82	2.82	2.80	2.88	2.92	2.99
Rice, rough (\$/cwt.)	7.12	6.99	10.43	9.13	10.10	9.58	9.49	8.44	7.56	7.62
Corn (\$/bu.)	2.54	2.28	2.16	1.67	2.29	2.28	2.16	2.00	1.98	1.97
Sorghum (\$/cwt.)	4.14	3.40	3.48	2.80	3.87	3.64	3.50	3.37	3.23	3.36
All hay, baled (\$/ton)	56.48	63.35	51.93	48.20	55.30	51.20	49.20	49.00	47.80	47.10
Soybeans (\$/bu.)	4.83	8.02	6.24	5.28	6.77	6.69	6.39	6.21	6.19	6.26
Cotton, Upland (cts./lb.)	55.5	65.4	51.6	53.1	53.7	54.8	56.5	56.6	55.9	59.6
Potatoes (\$/cwt.)	3.91	4.83	3.68	3.11	3.97	5.10	7.41	5.44	3.61	3.03
Dry edible beans (\$/cwt.)	17.60	15.90	20.78	22.20	19.10	19.20	17.60	17.10	14.60	16.20
Apples for fresh use (cts./lb.)	8.6	12.5	17.0	12.7	20.1	25.5	22.8	15.0	15.8	13.6
Pears for fresh use (\$/ton)	209	121	1347	192	673	—	—	324	305	274
Oranges, all uses (\$/box) ²	1.73	1.76	4.24	4.93	4.35	4.68	4.70	5.30	6.20	5.25
Grapefruit, all uses (\$/box) ²	1.34	1.27	1.32	2.74	1.15	1.62	3.25	3.01	6.42	4.32
Livestock										
Beef cattle (\$/cwt.)	35.30	34.10	45.00	35.10	50.30	51.30	49.80	48.80	51.60	53.20
Calves (\$/cwt.)	35.70	36.40	50.80	37.20	58.30	59.00	59.90	61.70	65.40	66.60
Hogs (\$/cwt.)	47.50	38.90	46.50	39.90	47.80	47.70	45.20	47.50	47.60	51.10
Lambs (\$/cwt.)	51.90	50.60	64.20	52.60	67.20	62.80	58.70	58.90	64.50	62.80
All milk, sold to plants (\$/cwt.)	9.47	9.57	10.12	10.10	10.00	10.00	10.10	10.50	10.90	11.30
Milk, manuf. grade (\$/cwt.)	8.51	8.53	9.22	9.02	9.27	9.23	9.26	9.58	9.92	10.50
Broilers (cts./lb.)	24.4	23.9	26.2	22.7	27.2	30.2	32.8	26.7	26.7	24.8
Eggs (cts./doz.) ³	55.6	57.1	50.8	47.8	49.3	43.6	48.3	52.0	53.7	52.3
Turkeys (cts./lb.)	32.2	33.2	38.5	36.5	39.6	40.8	41.8	42.9	43.5	45.1
Wool (cts./lb.) ⁴	61.0	72.6	74.8	71.3	78.6	79.1	78.6	75.3	77.8	78.6

¹ Five month average. ² Equivalent on-tree returns. ³ Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. ⁴ Average local market price, excluding incentive payments.

Producer and Retail Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)*

	1978									
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct
1967=100										
Consumer price index, all items	187.2	188.4	189.8	191.5	193.3	195.3	196.7	197.8	199.3	200.9
Consumer price index, less food	183.8	184.7	185.9	187.4	189.0	190.6	192.0	193.3	195.1	196.7
All food	199.2	202.0	204.2	207.5	210.3	213.8	215.0	215.4	215.6	216.8
Food away from home	208.2	210.5	212.3	214.0	215.8	217.8	219.9	221.7	223.2	224.6
Food at home	197.0	200.1	202.5	206.5	209.7	213.9	214.7	214.5	214.1	215.4
Meats ¹	183.1	188.7	193.6	200.8	206.2	216.5	214.5	213.2	212.7	215.3
Beef and veal	171.1	177.0	182.0	191.9	201.0	216.0	213.0	211.6	209.7	211.3
Pork	199.6	205.2	208.4	211.5	211.3	215.8	214.4	212.4	213.7	218.7
Poultry	157.5	161.5	163.9	169.3	171.0	178.4	185.2	179.1	177.9	177.3
Fish	266.3	266.5	267.4	271.6	272.8	273.5	275.6	277.2	280.0	281.7
Eggs	156.1	159.1	160.7	155.3	147.4	137.0	146.5	164.1	161.9	159.1
Dairy products ²	177.7	178.8	179.3	181.6	183.5	184.8	185.3	186.1	188.8	191.1
Fats and oils ³	198.1	198.9	200.4	204.5	207.9	210.9	213.5	214.5	215.4	216.3
Fruits and vegetables	197.2	200.9	203.8	210.9	219.3	223.5	225.6	221.4	216.2	216.3
Fresh	195.0	200.3	204.6	217.3	233.3	240.1	242.5	233.8	222.5	221.5
Processed	201.5	203.3	204.6	205.7	205.9	207.0	208.8	209.7	211.2	212.5
Cereals and bakery products	191.3	193.1	194.4	195.2	197.5	199.6	201.3	203.1	203.8	205.1
Sugar and sweets	244.9	248.1	251.7	254.9	256.4	259.0	260.4	262.0	261.8	262.3
Beverages, nonalcoholic	337.1	339.5	341.7	342.9	341.6	341.6	341.6	340.7	339.8	340.4
Apparel commodities less footwear	151.1	149.2	151.4	153.5	154.8	154.7	152.5	154.1	156.5	157.7
Footwear	158.8	159.3	160.7	161.7	163.4	163.8	162.1	163.5	165.7	167.8
Tobacco products	173.3	173.6	173.6	173.9	174.0	174.9	179.9	180.6	180.8	181.0
Beverages, alcoholic	154.2	155.4	156.5	157.9	159.2	159.5	160.1	161.0	162.0	163.1

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

*Revised indexes; not directly comparable with CPI previously published in AO.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1977	1978					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
	1967=100									
Finished goods ¹	163.4	170.3	180.6	183.9	193.1	194.5	195.9	195.3	196.9	199.7
Consumer foods	181.0	180.2	189.1	189.9	206.8	209.5	210.7	205.8	209.4	212.5
Fruits and vegetables ²	183.7	178.4	192.2	188.0	220.1	230.2	252.3	215.2	209.8	225.9
Eggs	159.8	179.1	162.0	137.6	141.2	127.5	150.2	158.1	167.8	156.3
Bakery products	178.6	180.0	186.5	189.2	197.5	198.9	202.6	203.3	204.9	207.8
Meats	188.7	173.6	170.7	175.6	216.0	220.4	213.2	206.9	215.5	222.1
Beef and veal	176.3	156.0	157.5	163.8	216.3	221.6	213.2	196.8	210.0	209.7
Pork	214.7	201.4	190.1	195.5	214.6	219.6	213.1	219.3	223.9	240.7
Poultry	184.1	166.2	173.3	175.9	189.2	210.7	231.5	199.2	203.5	184.4
Fish	218.7	272.4	294.3	283.6	297.1	295.1	313.4	316.6	329.9	337.7
Dairy products	155.8	168.5	173.4	170.1	184.5	185.4	186.1	190.8	192.9	197.0
Processed fruits and vegetables	169.8	170.2	187.3	190.4	197.4	198.7	200.3	203.3	204.9	210.3
Refined sugar ³	n.a.	n.a.	n.a.	n.a.	107.6	107.3	106.7	106.8	108.2	110.6
Vegetable oil and products	211.5	174.2	198.1	195.1	216.3	217.9	217.6	208.6	212.9	212.2
Consumer finished goods less foods	153.1	161.8	172.1	175.5	181.9	182.9	184.6	185.3	186.0	188.6
Beverages, alcoholic	134.7	138.1	139.7	141.3	146.2	146.7	147.0	148.7	149.6	151.1
Beverages, nonalcoholic	186.1	187.2	198.1	202.1	211.0	211.7	211.7	211.7	212.5	219.1
Apparel	133.4	139.9	147.3	148.6	150.8	151.7	152.8	153.3	153.2	154.3
Footwear	147.8	158.9	168.7	171.2	181.4	181.6	182.2	184.5	186.5	191.2
Tobacco products	149.6	163.0	179.8	189.6	191.4	195.1	205.1	205.1	205.1	203.7
Intermediate materials ⁴	180.0	189.3	201.7	204.4	213.9	215.1	215.8	217.2	218.7	220.7
Materials for food manufacturing	209.4	180.6	181.7	177.4	203.8	203.9	204.0	203.3	208.1	210.0
Flour	163.4	147.8	118.9	118.5	142.3	140.6	143.0	143.7	144.0	145.6
Refined sugar ⁵	n.a.	n.a.	n.a.	n.a.	108.3	107.8	105.8	109.8	112.0	115.0
Crude vegetable oils	208.1	162.5	197.5	164.3	232.1	219.7	225.1	222.2	243.1	232.7
Crude materials ⁶	196.9	205.1	214.4	207.6	241.2	245.4	245.4	240.2	244.9	249.9
Foodstuffs and feedstuffs	191.8	190.1	190.9	182.7	219.1	223.7	222.0	213.2	218.5	224.4
Fruits and vegetables ²	183.7	178.4	192.2	188.0	220.1	230.2	252.3	215.2	209.8	225.9
Grains	223.9	205.9	165.0	144.7	189.2	188.1	183.8	178.9	176.9	182.0
Livestock	187.8	173.3	173.0	177.5	230.3	236.2	226.8	216.6	226.8	235.1
Poultry, live	189.8	166.9	175.4	170.5	194.5	221.6	246.5	204.8	211.1	184.9
Fibers, plant and animal	153.1	223.9	202.3	166.9	191.8	192.9	189.9	197.5	201.2	210.3
Milk	180.2	201.2	202.6	209.6	212.1	212.1	216.3	220.5	225.9	231.8
Oilseeds	198.5	204.4	236.7	182.4	234.4	229.6	232.2	223.9	219.5	226.7
Coffee, green	177.8	305.5	505.1	394.7	378.1	390.1	370.4	334.4	372.1	364.8
Tobacco, leaf	n.a.	164.2	176.1	177.7	n.a.	183.9	186.2	194.9	206.8	n.a.
Sugar, raw cane	316.2	185.5	149.5	134.0	187.1	189.8	182.7	194.7	193.3	206.9
All commodities	174.9	183.0	194.2	196.3	208.0	209.4	210.6	210.4	212.3	215.0
Industrial commodities	171.5	182.4	195.1	199.1	207.4	208.5	209.9	211.2	212.4	214.7
All foods ⁷	186.0	178.9	186.8	187.2	206.5	208.9	210.7	206.1	209.7	213.2
Farm products and processed foods and feeds	184.2	183.1	188.8	184.3	207.6	210.4	210.5	205.3	209.5	213.6
Farm products	186.7	191.0	192.5	182.0	215.8	219.5	219.9	210.3	215.3	220.7
Processed foods and feeds	182.6	178.0	186.1	184.3	202.4	204.6	204.5	201.8	205.5	209.0
Cereal and bakery products	178.0	172.1	173.2	175.5	188.2	189.0	191.9	191.7	190.9	193.2
Sugar and confectionery	254.3	190.9	177.5	170.1	196.4	198.0	196.5	201.0	202.5	205.4
Beverages	162.4	173.5	200.9	205.0	199.6	200.0	198.8	197.2	197.8	201.1
Wholesale spot prices, 9 foodstuffs	227.3	201.6	208.2	201.2	243.7	240.8	234.9	241.4	248.7	253.1

¹ Commodities ready for sale to ultimate consumer. ² Fresh and dried. ³ Consumer size packages, Dec. 1977=100. ⁴ Commodities requiring further processing to become finished goods. ⁵ For use in food manufacturing. ⁶ Products entering market for first time which have not been manufactured at that point. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a.=not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1977p	1978p					
	1975	1976	1977p	Oct	May	June	July	Aug	Sept	Oct
Market basket¹:										
Retail cost (1967=100)	173.6	175.4	179.2	179.2	198.7	203.6	204.5	204.3	203.9	205.1
Farm value (1967=100)	187.7	177.8	178.1	178.1	211.6	215.8	215.5	212.0	215.4	217.4
Farm-retail spread (1967=100)	165.1	174.0	180.0	179.9	190.9	196.2	197.8	199.6	196.5	197.6
Farm value/retail cost (%)	40.8	38.3	37.5	37.5	40.2	40.0	39.8	39.2	40.0	40.0
Meat Products:										
Retail cost (1967=100)	178.3	178.6	174.3	176.5	206.2	216.5	214.5	213.2	212.7	215.3
Farm value (1967=100)	188.3	170.1	169.8	173.5	221.8	222.1	214.5	216.3	225.8	233.8
Farm-retail spread (1967=100)	165.2	189.5	180.0	180.3	186.0	208.2	214.5	209.2	195.7	191.3
Farm value/retail cost (%)	59.6	53.8	55.0	55.5	60.7	57.9	56.5	57.3	59.9	61.3
Dairy products:										
Retail cost (1967=100)	154.0	168.5	173.3	175.6	183.5	184.8	185.3	186.1	188.8	191.1
Farm value (1967=100)	163.6	185.9	187.2	189.6	197.8	200.5	201.8	207.0	207.5	210.8
Farm-retail spread (1967=100)	145.6	153.3	161.3	163.5	171.0	171.2	170.9	167.9	172.5	173.9
Farm value/retail cost (%)	49.4	51.4	50.3	50.2	50.2	50.5	50.7	51.8	51.2	51.4
Poultry:										
Retail cost (1967=100)	163.3	157.0	158.1	159.3	171.0	178.4	185.2	179.1	177.9	177.3
Farm value (1967=100)	194.6	174.4	178.5	176.4	190.2	223.7	253.0	211.4	213.5	202.2
Farm-retail spread (1967=100)	132.9	140.2	138.4	142.7	152.4	134.5	119.6	147.9	143.4	153.2
Farm value/retail cost (%)	58.6	54.6	55.5	54.5	54.7	61.7	67.2	58.0	59.0	56.1
Eggs:										
Retail cost (1967=100)	154.7	174.9	169.1	155.8	147.4	137.0	146.5	164.1	161.9	159.1
Farm value (1967=100)	174.9	201.9	187.5	166.7	151.4	136.3	161.3	194.7	188.1	178.3
Farm-retail spread (1967=100)	130.1	135.8	142.5	140.1	141.6	138.0	125.1	119.9	124.1	131.3
Farm value/retail cost (%)	66.0	68.2	65.5	63.2	60.7	58.8	65.1	70.1	68.7	66.2
Cereal and bakery products:										
Retail cost (1967=100)	183.7	180.8	183.7	185.1	197.5	199.6	201.3	203.1	203.8	205.1
Farm value (1967=100)	200.2	162.3	138.2	138.4	171.1	165.4	166.2	164.5	162.0	165.4
Farm-retail spread (1967=100)	180.3	184.6	193.2	194.8	203.0	206.7	208.6	211.1	212.5	213.3
Farm value/retail cost (%)	18.7	15.4	12.9	12.8	14.8	14.2	14.2	13.9	13.6	13.8
Fresh fruits:										
Retail cost (1967=100)	160.6	161.3	187.9	189.1	227.9	248.6	254.8	268.4	264.7	258.1
Farm value (1967=100)	158.0	146.7	177.2	210.8	236.8	284.3	271.9	245.5	264.7	236.2
Farm-retail spread (1967=100)	161.9	167.8	192.7	179.4	223.9	232.6	247.2	278.7	264.7	267.9
Farm value/retail cost (%)	30.5	28.2	29.2	34.5	32.2	35.4	33.1	28.3	31.0	28.4
Fresh vegetables:										
Retail cost (1967=100)	169.1	179.1	200.6	175.4	243.5	244.2	243.5	216.1	198.5	200.1
Farm value (1967=100)	183.6	184.4	205.4	177.5	257.8	285.9	293.5	213.3	189.8	170.6
Farm-retail spread (1967=100)	162.3	176.5	198.3	174.3	236.8	224.6	220.0	217.4	202.6	214.0
Farm value/retail cost (%)	34.7	32.9	32.8	32.4	33.8	37.4	38.5	31.6	30.6	27.3
Processed fruits and vegetables:										
Retail cost (1967=100)	179.6	181.7	190.2	193.2	205.9	207.0	208.8	209.7	211.2	212.5
Farm value (1967=100)	211.2	202.8	188.5	195.7	215.3	218.0	215.6	215.0	214.5	214.8
Farm-retail spread (1967=100)	172.7	177.1	190.6	192.6	203.8	204.6	207.3	208.5	210.5	212.0
Farm value/retail cost (%)	21.3	20.2	18.0	18.4	19.0	19.1	18.7	18.6	18.4	18.3
Fats and oils:										
Retail cost (1967=100)	206.8	176.7	192.0	198.2	207.9	210.9	213.5	214.5	215.4	216.3
Farm value (1967=100)	253.8	206.4	249.2	222.0	284.5	269.5	264.3	267.2	271.6	267.9
Farm-retail spread (1967=100)	188.7	165.2	169.9	189.1	178.4	188.4	194.0	194.2	193.8	196.4
Farm value/retail cost (%)	34.1	32.5	36.1	31.1	38.0	35.5	34.4	34.6	35.0	34.4

¹ Market basket statistics have been revised to adopt weight structure of the new Consumer Price Index for all urban consumers (CPI-U). Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Farm-retail price spreads

	January-June			1977	1978p					
	1976	1977	1978p	Oct	May	June	July	Aug	Sept	Oct
Beef, Choice:¹										
Retail price ² (cts./lb.)	151.0	145.5	174.2	152.0	185.9	195.2	191.6	189.3	187.4	187.6
Net carcass value ³ (cts.)	94.2	90.9	116.7	98.5	131.5	128.3	125.3	118.5	121.8	121.4
Net farm value ⁴ (cts.)	86.5	83.4	108.7	90.3	124.9	119.9	116.8	109.5	113.0	112.7
Farm-retail spread (cts.)	64.5	62.1	65.5	61.7	61.0	75.3	74.8	79.8	74.4	74.9
Carcass-retail spread ⁵ (cts.)	56.8	54.6	57.5	53.5	54.4	66.9	66.3	70.8	65.6	66.2
Farm-carcass spread ⁶ (cts.)	7.7	7.5	8.0	8.2	6.6	8.4	8.5	9.0	8.8	8.7
Farm value/retail price (%)	57	57	62	59	87	61	61	58	60	60
Pork:¹										
Retail price ² (cts./lb.)	139.7	121.1	139.7	126.8	141.4	144.2	144.2	144.4	145.5	149.4
Wholesale value ³ (cts.)	112.5	95.8	105.2	100.7	106.9	105.4	104.7	107.5	110.7	114.8
Net farm value ⁴ (cts.)	78.7	63.3	75.3	65.0	77.7	76.1	73.9	76.8	78.6	82.6
Farm-retail spread (cts.)	61.0	57.8	64.4	61.8	63.7	68.1	70.3	67.6	66.9	66.8
Wholesale retail spread ⁵ (cts.)	27.2	25.3	34.5	26.1	34.5	38.8	39.5	36.9	34.8	34.6
Farm-carcass spread ⁶ (cts.)	33.8	32.5	29.9	35.7	29.2	29.3	30.8	30.7	32.1	32.2
Farm value/retail price (%)	56	52	54	51	55	53	51	53	54	55

¹ Revised series, for historical data and methodology see August 1978 issue of *Livestock and Meat Situation*, LMS-222. ² Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from USDA's meat price survey. ³ Value of carcass quantity equivalent to 1 lb. of retail cuts—beef adjusted for value of fat and bone byproducts. ⁴ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁵ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁶ Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

Food marketing: Spreads, costs, and profit rates

Year	Intermediate goods and services ¹					Profit rates after taxes			
	Farm-retail price spread	Total	Containers packaging	Fuel, power, and light	Hourly earnings ²	Food retailers ³		Food manufacturers ⁴	
						Sales	Equity	Sales	Equity
		1967=100					Percent		
1972	119.0	126	117	126	3.49	—	—	2.6	11.2
1973	126.4	134	123	138	3.71	—	—	2.6	12.8
1974	150.4	159	151	202	4.06	—	—	2.9	13.9
1975	165.1	180	174	237	4.44	0.5	6.8	3.2	14.4
1976	174.0	193	184	258	4.79	.8	10.0	3.4	14.9
1977 ⁵	180.0	208	195	310	5.20	.8	10.8	3.1	13.2
1976									
I	172.8	186	179	243	4.68	.7	9.4	3.1	13.3
II	170.9	191	185	252	4.75	.9	11.6	3.7	16.4
III	174.9	194	185	260	4.82	.7	8.9	3.9	16.8
IV	177.1	198	187	278	4.99	.8	10.7	3.1	13.1
1977									
I	178.0	202	189	301	5.06	.8	10.5	2.7	11.4
II	178.9	207	195	306	5.14	.9	11.4	3.5	15.0
III	180.6	211	197	315	5.23	.6	7.4	3.1	13.1
IV	181.8	213	199	317	5.36	1.0	13.6	3.2	13.6
1978 ⁵									
I	186.1	217	203	321	5.51	.8	10.5	2.7	11.4
II	191.8	221	207	327	5.59	1.0	13.4	3.5	15.4
III	198.0	226	213	328	5.67	—	—	—	—

¹ Represents all goods purchased by food marketing firms except raw materials and plant and equipment, and all services except those performed by employees, calculated from wholesale price relatives. ² Weighted composite of production employees in food manufacturing and nonsupervisory employees in wholesale and retail trade, calculated from data of the U.S. Department of Labor. Revised to conform to 1972 SIC codes. ³ Federal Trade Commission. These data are based on reports from all food retailing corporations having more than \$100 million in annual sales, and whose activities are at least 75 percent specialized in supermarket operations. ⁴ "Quarterly Financial Report," Federal Trade Commission. Data represent national aggregate estimates for corporations based upon a sample of company reports. Data since 1973 are imperfectly comparable with prior data because of changes in accounting methods. ⁵ Preliminary.

Food Supply and Use

Civilian per capita consumption of major food commodities (retail weight)¹

	1960	1970	1973	1974	1975	1976	1977	1978 ²
	Pounds							
Meats:	134.1	151.4	142.6	152.5	145.4	155.3	154.6	149.6
Beef	64.3	84.1	81.1	86.4	88.9	95.7	93.2	89.0
Veal	5.2	2.4	1.5	1.9	3.5	3.3	3.2	2.5
Lamb and mutton	4.3	2.9	2.4	2.0	1.8	1.7	1.5	1.4
Pork	60.3	62.0	57.6	62.2	51.2	54.6	56.7	56.7
Fish (edible weight)	10.3	11.8	12.9	12.2	12.2	13.0	12.8	12.9
Poultry Products:								
Eggs	42.4	39.5	37.3	36.6	35.4	34.8	34.5	34.6
Chicken (ready-to-cook)	27.8	40.5	40.7	41.1	40.3	43.3	44.9	47.5
Turkey (ready-to-cook)	6.2	8.0	8.5	8.9	8.6	9.2	9.2	9.5
Dairy Products:								
Cheese	8.3	11.5	13.7	14.6	14.5	15.8	16.4	17.4
Condensed and evaporated milk	13.7	7.1	6.0	5.6	5.0	3.6	3.3	2.9
Fluid milk and cream (product weight)	321.0	296.0	293.0	288.0	291.1	292.0	289.4	288.9
Ice cream (product weight)	18.3	17.7	17.5	17.5	18.7	18.1	17.7	17.7
Fats and Oils—Total fat content	45.3	53.0	54.3	53.2	53.4	56.1	54.4	56.0
Butter (actual weight)	7.5	5.3	4.8	4.6	4.8	4.4	4.4	4.6
Margarine (actual weight)	9.4	11.0	11.3	11.3	11.2	12.2	11.6	11.9
Lard	7.6	4.7	3.4	3.2	4.0	3.6	3.5	3.7
Shortening	12.6	17.3	17.3	17.0	17.3	18.1	17.6	18.0
Other edible fats and oils	11.5	18.2	20.8	20.3	20.3	22.0	21.6	22.0
Fruits:								
Fresh:	90.0	79.1	74.0	76.3	81.3	84.3	81.2	80.3
Citrus	32.5	27.9	26.7	26.8	28.7	28.5	25.2	24.6
Noncitrus	57.5	51.2	47.3	49.5	52.6	55.9	56.0	55.7
Processed:								
Canned fruit	22.6	23.3	21.3	19.6	19.3	19.2	20.0	17.2
Canned juice	13.0	14.6	15.9	14.7	15.3	16.2	15.6	18.0
Frozen (including juices)	9.1	9.8	11.2	11.3	12.6	12.2	11.9	11.4
Chilled citrus juices	2.1	4.7	5.3	5.2	5.7	6.5	6.0	6.0
Dried	3.1	2.7	2.6	2.5	3.0	2.7	2.7	2.6
Vegetables:								
Fresh ³	96.0	91.0	92.7	93.6	93.9	94.7	93.2	95.2
Canned (excluding potatoes and sweet potatoes)	43.4	51.2	54.3	53.3	52.1	53.0	52.9	53.0
Frozen (excluding potatoes)	7.0	9.6	10.7	10.2	9.7	10.2	10.3	10.9
Potatoes ⁴	105.0	115.3	114.4	112.3	120.2	114.9	119.5	125.4
Sweet potatoes ⁴	6.5	5.2	4.7	5.1	5.3	5.0	4.6	4.9
Grains:								
Wheat flour ⁵	118	110	109	106	107	111	108	112
Rice	6.1	6.7	7.0	7.6	7.7	7.2	7.6	5.8
Other:								
Coffee	11.6	10.5	10.1	9.5	9.0	9.7	6.9	7.3
Tea	.6	.7	.8	.8	.8	.8	.9	.8
Cocoa	2.9	3.1	3.4	3.0	2.6	3.0	2.7	2.6
Peanuts (shelled)	4.9	5.9	6.6	6.4	6.5	6.3	6.5	6.6
Dry edible beans	7.3	5.9	6.4	6.7	6.5	6.3	6.0	6.0
Melons	23.2	21.2	19.7	17.2	17.5	20.5	21.2	21.3
Sugar (refined)	97.4	101.8	101.5	96.6	90.2	94.7	95.7	93.2

¹ Quantity in pounds, retail weight unless otherwise shown. Data on calendar year basis except for dried fruits, fresh citrus fruits, peanuts, and rice which are on a crop-year basis. ² Preliminary. ³ Commercial production for sale as fresh produce. ⁴ Including fresh equivalent of processed. ⁵ White, whole wheat, and semolina flour including use in bakery products.

Note: Historical consumption and supply-utilization data for food may be found in *Food Consumption, Prices, and Expenditures*, Ag. Econ. Report 138 and annual supplements, ESCS, USDA.

Per capita food consumption indexes¹

	1960	1970	1973	1974	1975	1976	1977	1978 ²	1979 ³
	1967=100								
Meat, poultry, and fish	89.4	104.9	100.9	106.2	102.8	109.8	109.7	107.8	106.2
Meat	91.9	104.0	97.8	104.6	101.0	107.6	106.9	103.1	99.1
Poultry	75.3	107.1	108.8	110.6	108.2	116.1	119.5	125.9	135.1
Fish	97.0	110.7	121.3	114.7	113.9	121.0	119.7	120.5	120.5
Eggs	104.2	97.0	91.6	89.9	87.0	85.5	84.8	85.0	84.5
Dairy products ⁴	105.4	98.9	99.2	97.4	98.3	98.9	98.5	99.4	99.9
Fats and oils	95.4	106.6	109.8	106.9	107.8	112.6	109.6	112.4	111.8
Animal	119.2	90.4	77.8	76.2	72.6	71.2	73.2	76.6	73.9
Vegetable	82.2	115.5	127.5	123.9	127.2	135.4	129.6	132.2	132.7
Fruits ⁵	102.9	102.7	102.7	102.3	109.2	111.7	109.7	107.7	107.6
Fresh	112.0	100.6	94.4	97.4	104.3	107.4	106.1	105.1	105.7
Processed	94.8	104.6	110.1	106.6	113.5	115.6	113.0	110.0	109.3
Vegetables ⁶	99.3	101.7	105.2	104.2	103.4	105.9	105.1	107.1	107.4
Fresh	107.6	100.2	101.3	101.2	101.5	103.4	102.7	104.8	105.1
Processed	83.7	104.5	112.4	109.8	107.1	110.5	109.7	111.4	111.8
Potatoes and sweetpotatoes	81.8	114.8	116.7	117.7	121.3	113.9	115.8	120.5	124.0
Fresh	133.8	95.0	83.6	80.1	90.8	85.9	88.5	91.1	92.2
Processed	58.2	123.7	131.7	134.9	135.2	126.6	128.2	133.9	138.5
Beans, peas, and nuts	95.6	98.4	104.6	100.4	106.6	104.5	104.3	105.7	106.0
Cereal products	102.0	97.9	97.8	96.0	96.5	99.1	96.8	98.2	99.7
Sugar	98.1	105.9	109.2	106.6	102.9	109.4	111.7	111.2	110.5
Coffee, tea, and cocoa	100.2	93.7	96.7	91.8	90.8	93.0	74.5	75.4	76.7
Total food	96.4	102.7	102.2	102.9	102.0	105.6	104.5	104.5	104.2
Animal products	95.5	102.2	99.2	101.8	99.7	104.0	103.9	103.0	102.2
Crops ⁷	97.4	103.2	105.9	104.1	104.9	107.4	105.3	106.2	106.8

¹ Civilian consumption only. Quantities of individual foods are combined in terms of 1957-59 retail prices. ² Preliminary. ³ Forecast. ⁴ Includes butter. ⁵ Excludes melons and baby food. ⁶ Excludes soup, baby food, dry beans and peas, potatoes, and sweetpotatoes. ⁷ Includes melons, nuts, soup, and baby food in addition to groups shown separately.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	January-June			1977	1978					
	1976	1977	1978	Oct	May	June	July	Aug	Sept	Oct
Rail freight rate index ¹										
All products (1969=100)	183.9	198.2	208.1	198.5	207.9	208.2	215.2	215.7	215.8	215.8
Farm products (1969=100)	179.9	190.2	200.4	191.0	200.1	200.8	206.7	207.3	207.3	207.4
Food products (1969=100)	182.3	194.4	204.6	194.7	205.2	205.6	212.9	212.9	212.9	212.6
Rail carloadings of grain (thou. cars) ²	24.6	22.9	24.3	26.7	25.4	29.7	28.6	29.2	24.4	28.5
Barge shipments of grain (mil. bu.) ³	31.0	27.1	28.9	32.3	34.4	35.7	31.1	38.0	32.2	37.6
Fresh fruit and vegetable shipments										
Rail (thou. carlots) ^{3, 4}	3.8	3.3	\$1,074	\$1,220	\$1,110	\$1,332	\$1,007	\$586	\$480	\$843
Truck (thou. carlots) ^{3, 4}	17.0	16.4	\$7,067	\$5,828	\$7,853	\$8,401	\$7,308	\$5,709	\$5,704	\$6,379

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1977 and 1978. ⁵ Shipments reported in 1000 hundredweight. Typical truck loads are about 40,000 pounds and average railcar/loads in 1975 were about 60,000 pounds.

Livestock and Products

Livestock and Products output and prices

	1976	1977			1978				1979		
	Annual	III	IV	Annual	I	II	III	IV ¹	Annual ¹	I ¹	II ¹
Beef (mil. lb.)	25,667	6,321	6,220	24,986	6,104	5,936	5,921	6,050	24,011	5,900	5,700
Change (pct.) ²	+8	-4	-3	-3	-3	-4	-6	-3	-4	-3	-4
Pork (mil. lb.)	12,488	3,073	3,500	13,051	3,242	3,264	3,158	3,500	13,164	3,275	3,375
Change (pct.) ²	+8	+2	-5	+5	-2	+3	+3	0	+1	+1	+3
Veal (mil. lb.)	813	205	201	794	178	149	139	145	611	95	65
Change (pct.) ²	-2	0	-10	-2	-11	-20	-32	-28	-23	-47	-56
Lamb and mutton (mil. lb.)	361	84	81	341	75	76	73	73	297	77	74
Change (pct.) ²	-10	-9	-12	-6	-17	-12	-13	-10	-13	+3	-3
Red meats (mil. lb.)	39,329	9,683	10,002	39,172	9,599	9,425	9,291	9,768	38,083	9,347	9,214
Change (pct.) ²	+8	-2	-4	0	-3	-2	-4	-2	-3	-3	-2
Broilers (mil. lb.)	8,988	2,424	2,248	9,227	2,327	2,547	2,567	2,430	9,871	2,560	2,800
Change (pct.) ²	+13	+2	+3	+3	+8	+6	+6	+8	+7	+10	+10
Turkeys (mil. lb.)	1,950	672	645	1,892	228	400	680	670	1,978	285	480
Change (pct.) ²	+14	-5	-3	-3	+9	+10	+1	+4	+5	+25	+20
Total meats (mil. lb.)	50,267	12,779	12,895	50,291	12,154	12,372	12,538	12,868	49,932	12,192	12,494
Change (pct.) ²	+9	-2	-3	0	-1	0	-2	0	-1	0	+1
Eggs (mil. doz.)	5,377	1,330	1,414	5,403	1,373	1,380	1,362	1,410	5,525	1,385	1,385
Change (pct.) ²	0	0	+5	0	+4	+3	+2	0	+2	+1	0
Milk (bil. lb.)	120.3	30.9	29.0	³ 123.0	29.9	32.8	30.6	29.0	122.3	30.2	33.3
Change (pct.) ²	+4	+3	+2	+2	0	-1	-1	0	-1	+1	+2
Total livestock and products (1974=100)	105.5	107.5	106.5	106.2	103.0	107.2	105.9	105.3	105.4	103.4	108.2
Change (pct.) ²	+6.6	-6	-7	+7	-1	-3	-1.5	-1.1	-8	+4	+9
Prices											
Choice steers, Omaha (\$ per cwt.)	39.11	40.47	42.42	40.38	45.77	55.06	53.75	53-55	—	55-57	58-60
Barrows and gilts, 7-markets (\$ per cwt.)	43.11	43.85	41.38	41.07	47.44	47.84	48.52	49-51	—	50-52	49-51
Broilers, 9-city wholesale (cts. per lb.) ⁴	40.2	42.4	37.6	40.8	41.8	47.6	46.6	41-43	—	43-45	45-47
Turkeys, N.Y., wholesale (cts. per lb.) ⁵	48.8	53.1	61.3	54.0	60.2	61.4	68.2	75-77	—	64-66	61-63
Eggs, cartonized, Grade A large, N.Y. (cts. per doz)	70.3	61.5	58.9	63.3	62.0	53.8	63.0	67-69	—	64-66	56-58
Milk, all at farm, (\$ per cwt.)	9.66	9.71	10.17	9.71	10.20	10.03	10.47	11.45-11.55	10.50-10.60	11.10-11.40	10.90-11.10
Livestock prices received by farmers (1967=100)	177	178	177	175	195	215	220	229	215	232	232

¹ Forecast. ² Change from year-earlier. ³ Does not add due to rounding of quarterly data. ⁴ Weighted average. ⁵ 8-16 pound young hens. ⁶ Range.

Dairy:

	Annual			1977	1978					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
Milk production:										
Total milk (mil. lb.)	115,334	120,269	122,957	9,844	11,219	10,928	10,598	10,259	9,732	9,818
Milk per cow (lb.)	10,350	10,879	11,194	899	1,032	1,007	977	945	897	906
Number of milk cows (thou.)	11,143	11,055	10,984	10,955	10,866	10,854	10,851	10,855	10,847	10,837
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	7.62	8.48	8.58	8.74	9.25	9.26	9.33	9.68	9.90	10.18
Price of 16% dairy ration (\$/ton)	134	141	140	125	136	140	139	136	137	138
Milk-feed price ratio (lb.) ²	1.40	1.53	1.57	1.79	1.60	1.59	1.64	1.76	1.81	1.84
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	5,886	3,844	5,708	9,972	9,562	10,201	11,004	11,752	11,147	10,662
Commercial (mil. lb.)	5,576	3,719	5,299	6,027	5,144	5,448	5,624	5,709	5,585	5,241
Government (mil. lb.)	310	124	410	3,945	4,418	4,753	5,381	6,043	5,562	5,349
Imports, total milk equiv. (mil. lb.) ³	1,669	1,943	1,967	160	127	134	141	196	163	—
USDA net removals:										
Total milk equiv. (mil. lb.) ³	2,036	1,236	6,080	161.9	776.6	561.8	138.4	⁴ -85.9	⁴ -126.8	⁵ -3.9
Butter:										
Production (mil. lb.)	983.8	978.6	1,085.6	84.5	96.7	84.7	73.7	64.2	64.5	—
Stocks, beginning (mil. lb.)	49.2	10.9	47.1	203.3	245.6	264.6	280.9	312.7	282.4	266.6
Wholesale price, Grade A Chicago (cts./lb.)	79.4	92.0	98.4	100.7	106.7	106.7	107.9	116.7	115.8	115.6
USDA net removals (mil. lb.)	63.4	39.4	221.8	7.0	34.6	20.6	⁶ —	⁴ -6.0	⁴ -6.3	0
Commercial disappearance (mil. lb.)	951.0	919.0	859.8	81.5	58.8	76.2	72.0	75.1	80.0	—
American cheese:										
Production (mil. lb.)	1,654.6	2,048.8	2,042.4	146.2	208.2	209.3	183.4	167.5	149.2	—
Stocks, beginning (mil. lb.)	420.9	307.8	411.4	499.1	389.8	407.8	444.9	450.6	451.8	432.5
Wholesale price, Wisconsin assembly pt. (cts./lb.)	86.6	96.3	96.8	98.3	102.6	102.6	102.9	109.1	110.8	115.5
USDA net removals (mil. lb.)	68.2	38.0	148.2	1.4	6.0	13.6	13.6	3.5	0	0
Commercial disappearance (mil. lb.)	1,717.1	1,920.9	1,958.1	196.2	186.8	163.5	168.5	177.3	169.0	—
Other cheese:										
Production (mil. lb.)	1,156.8	1,274.1	1,315.5	110.5	120.5	123.6	113.6	117.1	115.7	—
Stocks, beginning (mil. lb.)	73.1	60.8	67.1	70.6	68.4	70.2	76.9	76.2	73.1	79.4
Commercial disappearance (mil. lb.)	1,331.9	1,458.0	1,512.3	130.4	130.9	129.3	130.6	139.8	128.0	—
Nonfat dry milk:										
Production (mil. lb.)	1,001.5	926.2	1,106.0	70.3	103.0	113.5	98.2	78.6	59.1	—
Stocks, beginning (mil. lb.)	293.2	468.9	485.4	679.0	686.5	687.7	701.6	713.6	701.7	681.5
Wholesale price, avg. manf. (cts./lb.)	63.3	63.4	66.5	67.9	71.1	71.0	71.3	71.5	72.5	—
USDA net removals (mil. lb.)	394.4	157.1	461.7	26.4	51.5	54.0	46.3	18.8	7.7	6.9
Commercial disappearance (mil. lb.)	697.0	719.2	681.6	57.6	43.9	51.8	52.0	80.2	62.8	—
Frozen dessert production (mil. gal.) ⁴	1,183.9	1,154.0	1,147.4	83.7	108.2	126.0	119.4	123.1	103.1	—

¹ Manufacturing grade milk. ² Pounds of ration equal in value to 1 lb. of milk. ³ Milk equivalent, fat-solids basis. ⁴ Domestic sales exceeded purchases. ⁵ Less than 50,000 pounds. ⁶ Ice cream, ice milk, and sherbet.

Poultry and eggs:

	Annual			1977	1978					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
Eggs										
Farm production (mil.)	64,586	64,517	64,837	5,609	5,669	5,383	5,446	5,477	5,415	5,668
Average number of layers on farms (mil.)	278	274	275	282	275	272	270	272	277	282
Rate of lay (eggs per layer)	233	235	236	19.9	20.6	19.8	20.1	20.1	19.5	20.1
Cartoned price, New York, grade A large (cts./doz.) ¹	63.9	70.3	63.3	56.0	52.9	50.6	62.8	62.6	63.8	62.1
Price of laying feed (\$/ton)	147	151	152	135	155	157	155	150	149	150
Egg-feed price ratio (lb.) ²	7.0	7.8	7.3	7.1	6.4	5.6	6.2	6.9	7.2	7.0
Stocks, beginning of period:										
Shell (thou. cases)	36	22	28	39	36	30	30	29	55	42
Frozen (mil. lb.)	54.2	36.3	26.1	29.7	23.2	22.5	26.6	28.0	28.6	28.6
Replacement chicks hatched (mil.)	454	492	502	37.6	53.6	45.5	36.1	38.6	37.2	37.6
Broilers										
Federally inspected slaughter, certified (mil. lb.)	7,966	8,987	9,227	775.5	902.6	874.9	801.7	930.8	834.0	—
Wholesale price, 9-city, (cts./lb.)	45.1	40.2	40.8	39.2	46.1	50.7	50.8	44.1	44.9	42.0
Price of broiler grower feed (\$/ton)	163	168	171	153	171	174	170	169	168	169
Broiler-feed price ratio (lb.) ²	3.2	2.8	2.7	3.0	3.2	3.5	3.9	3.2	3.2	2.9
Stocks, beginning of period (mil. lb.)	37.2	22.3	32.9	30.7	22.6	19.8	21.4	22.0	21.1	21.1
Average weekly placements of broiler chicks, 21 States (mil.)	57.7	63.6	66.7	63.3	76.8	76.8	72.9	68.7	65.9	67.1
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,716	1,950	1,892	250.3	129.3	189.5	199.9	248.8	230.9	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	53.2	48.7	54.0	57.4	61.3	63.6	67.8	68.0	68.7	72.7
Price of turkey grower feed (\$/ton)	167	174	184	168	184	186	186	182	180	183
Turkey-feed price ratio (lb.) ²	4.2	3.7	3.9	4.3	4.3	4.4	4.5	4.7	4.8	4.9
Stocks, beginning of period (mil. lb.)	275.0	195.2	203.4	409.3	101.1	103.6	152.1	212.7	297.9	370.4
Poult hatched (mil.)	137.1	149.5	148.4	5.2	20.7	18.8	15.0	9.6	5.6	6.4

¹ Price of cartoned eggs to volume buyers for delivery to retailers. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Meat animals:

	Annual			1977	1978					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	6,369	8,537	8,213	6,958	7,861	8,013	7,982	7,867	7,835	8,541
Placed on feed (thou. head) ¹	18,095	18,976	20,817	2,886	2,034	1,769	1,587	1,736	2,492	2,779
Marketings (thou. head)	14,988	18,167	18,720	1,589	1,677	1,647	1,624	1,653	1,660	1,865
Other disappearance (thou. head)	939	1,133	1,383	115	205	153	78	115	126	153
Beef steer-corn price ratio, Omaha (bu.) ¹	15.8	15.2	19.9	23.6	24.4	23.8	25.5	26.5	27.8	26.8
Hog-corn price ratio, Omaha (bu.) ²	16.9	16.5	20.2	22.6	20.9	20.6	21.8	24.5	25.7	25.5
Commercial slaughter (thou. head)										
Cattle	40,911	42,654	41,856	3,556	3,435	3,257	3,060	3,456	3,222	3,406
Steers	17,819	18,879	19,342	1,543	1,656	1,540	1,414	1,583	1,440	1,536
Heifers	10,438	12,158	11,748	1,049	972	922	946	1,092	1,063	1,080
Cows	11,557	10,619	9,864	886	735	723	637	705	651	715
Bulls and stags	1,097	998	902	78	72	72	63	76	68	75
Calves	5,209	5,350	5,517	471	336	318	304	347	315	331
Sheep and lambs	7,835	6,714	6,356	545	468	457	423	459	455	457
Hogs	68,687	73,784	77,303	6,771	6,556	6,022	5,630	6,479	6,439	6,837
Commercial Production (mil. lb.)										
Beef	23,673	25,667	24,986	2,095	2,066	1,960	1,853	2,096	1,973	2,102
Veal	827	813	794	70	52	47	44	50	45	48
Lamb and mutton	399	361	341	29	26	25	23	25	25	27
Pork	11,586	12,488	13,051	1,151	1,125	1,046	962	1,101	1,095	1,176
Market Prices										
Dol. per 100 pounds										
Slaughter cattle:										
Choice steers, Omaha	44.61	39.11	40.38	42.29	57.28	55.38	54.59	52.40	54.26	54.93
Utility cows, Omaha	21.09	25.31	25.32	24.89	39.21	37.61	38.09	37.85	39.75	40.46
Choice vealers, S. St. Paul	40.44	45.18	48.19	42.50	77.26	73.28	75.72	81.66	83.25	81.82
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	33.91	39.40	40.19	40.82	60.36	58.56	60.60	63.08	64.46	64.88
Slaughter hogs:										
Barrows and gilts, No. 1&2, Omaha ⁴	50.12	44.70	42.10	41.40	50.15	49.06	47.62	49.33	50.51	53.15
Barrows and gilts, 7-markets	48.32	43.11	41.07	40.83	49.17	48.31	46.78	48.77	50.00	52.23
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	44.80	36.54	35.42	34.94	54.08	45.36	45.21	50.83	52.91	51.84
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	44.45	49.87	54.28	55.69	72.85	61.44	60.62	69.70	62.88	62.50
Ewes, Good, San Angelo	15.34	17.69	19.19	19.69	24.15	25.50	27.33	28.80	31.88	33.25
Feeder lambs:										
Choice, San Angelo	41.40	51.28	55.12	55.75	75.05	68.75	69.33	76.10	80.38	78.00
Wholesale meat prices, Midwest⁵										
Choice steer beef, 600-700 lb.	72.55	60.99	62.67	65.87	88.48	85.95	84.81	79.94	81.96	82.14
Canner and Cutter cow beef	42.90	52.00	51.55	48.46	76.17	73.53	77.62	74.99	77.50	80.25
Pork loins, 8-14 lb.	92.69	86.45	83.04	85.60	97.70	100.54	97.03	93.66	101.78	106.24
Pork bellies, 12-14 lb.	78.52	65.27	54.19	49.15	66.97	56.87	57.93	58.39	60.46	61.58
Hams, skinned, 14-17 lb.	84.06	79.79	76.50	84.62	78.45	77.45	78.07	83.54	90.70	99.71

	Annual			1977	1978					
	1975	1976	1977	II	III	IV	I	II	III	IV
Cattle on feed (23-States):										
Number on feed (thou. head) ¹	9,622	12,328	11,948	10,619	9,765	9,793	12,799	11,716	10,924	11,345
Placed on feed (thou. head) ²	24,685	25,508	27,647	6,007	6,479	9,547	6,479	6,536	7,363	—
Marketings (thou. head)	20,500	24,170	24,861	6,147	6,159	6,093	6,773	6,591	6,636	—
Other disappearance (thou. head)	1,479	1,718	1,935	714	292	448	789	734	406	—
Hogs and pigs (14-States):⁶										
Inventory (thou. head) ¹	47,170	41,855	47,120	44,100	46,640	49,233	48,308	44,680	47,025	48,940
Breeding (thou. head) ¹	6,283	6,368	6,788	7,016	7,352	7,200	7,324	6,930	7,405	7,396
Market (thou. head) ¹	40,887	35,487	40,332	37,084	39,288	42,033	40,984	37,750	39,620	41,544
Farrowings (thou. head)	8,417	9,996	10,506	2,893	2,605	2,565	2,285	2,880	2,597	2,644
Pig crop (thou. head)	60,476	72,580	75,217	21,386	18,804	18,421	15,626	20,791	18,693	—

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. ⁵ Prior to Oct. 1975, Chicago. ⁶ Quarters are Dec. preceding year-Feb. (II), Mar-May (III), June-Aug (III), and Sept-Nov (IV). ⁷ Intentions.

Wool:

	Annual			1977	1978					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
U.S. wool Price, Boston¹ (cts./lb.)										
Imported wool price, Boston ² (cts./lb.)	150	182	183	182	184	192	192	192	195	198
U.S. mill consumption, scoured	202	214	224	223	230	234	234	234	234	234
Apparel wool (thou. lb.)										
Carpet wool (thou. lb.)	94,117	106,629	95,485	7,714	9,211	10,282	6,192	8,373	n.a.	n.a.
	15,908	15,117	12,526	708	1,030	1,527	769	1,028	n.a.	n.a.

¹ Wool Price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 64's, type 78, including duty (25.6 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty. n.a. Not available.

Crops and Products

Supply and utilization of major crops¹

	Domestic measure ²				Metric measure ²			
	1976/77	1977/78 estimated	1978/79		1976/77	1977/78 estimated	1978/79	
			Projected	Probable* variability			Projected	Probable* variability
Wheat:								
		Mil. acres				Mil. hectares		
Area								
Planted	80.2	74.8	66.3	—	32.5	30.3	26.8	—
Harvested	70.8	66.2	56.5	—	28.7	26.8	22.9	—
		Bu. per acre				Metric tons per hectare		
Yield per harvested unit	30.3	30.6	31.5	—	2.1	2.1	2.2	—
		Mil. bu.				Mil. metric tons		
Beginning stocks	665	1,112	1,176	—	18.1	30.3	32.0	—
Production	2,142	2,026	1,778	+25 to -25	68.3	56.1	48.4	+1 to -1
Imports	3	2	2	—	.1	.1	.1	—
Supply, total	2,810	3,140	2,956	+25 to -25	76.5	85.5	80.4	+1 to -1
Domestic	748	840	770	+60 to -60	20.4	22.9	20.9	+2 to -2
Exports	950	1,124	1,150	+100 to -100	25.8	30.6	31.3	+3 to -3
Use, total	1,698	1,964	1,920	+150 to -150	46.2	53.5	52.6	+5 to -5
Ending stocks	1,112	1,176	1,036	+165 to -165	30.3	32.0	28.2	+5 to -5
		Dol. per bu.				Dol. per metric ton		
Price received by farmers	2.73	³ 2.31	2.80-3.00	—	100.31	³ 84.88	103-110	—
Price, Kansas City, No. 1 HRW	2.88	2.72	⁴ 3.21	—	105.82	99.94	⁴ 117.95	—
Rice:								
		Mil. acres				Mil. hectares		
Area								
Allotment	1.80	1.80	1.80	—	.73	.73	.73	—
Planted	2.49	2.26	3.06	—	1.01	.91	1.23	—
Harvested	2.48	2.25	3.06	—	1.00	.91	1.23	—
		Lb. per acre				Metric tons per hectare		
Yield per harvested unit	4,663	4,412	4,504	—	5.23	4.94	5.06	—
		Mil. cwt.				Mil. metric tons		
Beginning stocks	36.9	40.5	27.4	—	1.7	1.8	1.2	—
Production	115.6	99.2	137.7	+3.0 to -3.0	5.2	4.5	6.3	+2 to -2
Imports	.1	.1	—	—	—	—	—	—
Supply, total	152.6	139.8	165.1	—	6.9	6.3	7.5	—
Domestic	42.7	37.6	44.0	+2.0 to -2.0	1.9	1.7	2.0	+1 to -1
Exports	65.6	72.8	67.0	+5.0 to -5.0	3.0	3.3	3.0	+2 to -2
Use, total	108.3	110.4	111.0	+6.0 to -6.0	4.9	5.0	5.0	+3 to -3
Ending stocks	40.5	27.4	54.1	+7.0 to -7.0	1.8	1.2	2.5	+3 to -3
Difference unaccounted	+3.8	+2.0	—	—	+2	—	—	—
		Dol. per cwt.				Dol. per metric ton		
Price received by farmers	7.02	³ 9.43	7.00-7.50	—	154.76 ⁴	³ 207.89	154-165	—
Price, long-grain milled, S.W. La.	14.60	21.30	⁴ 16.88	—	321.87	469.58	⁴ 372.14	—
Feed grains: ⁵								
		Mil. acres				Mil. hectares		
Area								
Planted	128.7	128.1	121.4	—	—	—	—	—
Harvested	106.3	107.0	102.6	—	—	—	—	—
		Metric tons per acre				Metric tons per hectare		
Yield per harvested unit	1.82	1.89	2.06	—	—	—	—	—
		Mil. short tons				Mil. metric tons		
Beginning stocks	—	—	—	—	17.2	29.9	40.0	—
Production	—	—	—	—	193.4	201.8	211.1	+3 to -3
Imports	—	—	—	—	.4	.3	.3	—
Supply, total	—	—	—	—	211.0	232.0	251.4	—
Feed	—	—	—	—	112.6	116.9	124.6	+7 to -7
Food, seed, and industrial uses	—	—	—	—	17.9	18.8	19.4	—
Domestic, total	—	—	—	—	130.5	135.7	144.0	+7 to -7
Exports	—	—	—	—	50.6	56.3	54.9	+5 to -5
Use, total	—	—	—	—	181.1	192.0	198.9	+10 to -10
Ending stocks	—	—	—	—	29.9	40.0	52.5	+7 to -7

See footnotes at end of table.

Supply and utilization of major crops¹ - Continued

	Domestic measure ²				Metric measure ²			
	1976/77	1977/78 estimated	1978/79		1976/77	1977/78 estimated	1978/79	
			Projected	Probable* variability			Projected	Probable* variability
Corn:								
Mil. acres					Mil. hectares			
Area								
Planted	84.4	82.7	78.5	—	34.2	33.6	31.8	—
Harvested	71.3	70.0	68.1	—	28.9	28.3	27.6	—
Bu. per acre					Metric tons per hectare			
Yield per harvested unit	87.9	91.0	101.2	—	5.51	5.71	6.03	—
Mil. bu.					Mil. metric tons			
Beginning stocks	399	884	1,064	—	10.0	22.5	27.0	—
Production	6,266	6,371	6,890	+150 to -150	159.2	161.8	175.0	+4 to -4
Imports	3	3	1	—	.1	(⁶)	(⁶)	—
Supply, total	6,668	7,258	7,955	—	169.4	184.3	202.1	—
Feed	3,587	3,698	3,950	+200 to -200	91.1	93.9	100.3	+5 to -5
Food, seed, and industrial uses	513	548	570	—	13.0	13.9	14.5	—
Domestic, total	4,100	4,246	4,620	+200 to -200	104.1	107.8	117.4	+5 to -5
Exports	1,684	1,948	1,900	+150 to -150	42.8	49.5	48.3	+4 to -4
Use, total	5,784	6,194	6,420	+300 to -300	146.9	157.3	163.1	+8 to -8
Ending stocks	884	1,064	1,535	+200 to -200	22.5	27.0	39.0	+6 to -6
Dol. per bu.					Dol. per metric ton			
Price received by farmers	2.15	³ 2.03	1.95-2.15	—	84.64	³ 79.92	79.85	—
Price, Chi., No. 2 yellow	2.30	2.26	⁴ 2.22	—	90.55	88.97	⁴ 87.40	—
Soybeans:								
Mil. acres					Mil. hectares			
Area								
Planted	50.2	58.8	64.4	—	20.3	23.8	26.1	—
Harvested	49.4	57.6	63.3	—	20.0	23.3	25.6	—
Bu. per acre					Metric tons per hectare			
Yield per harvested unit	26.1	30.6	28.3	—	1.76	2.06	1.92	—
Mil. bu.					Mil. metric tons			
Beginning stocks	245	103	159	—	6.7	2.8	4.3	—
Production	1,288	1,762	1,810	+50 to -50	35.1	48.0	49.3	+1.4 to -1.4
Supply, total	1,533	1,865	1,969	+50 to -50	41.7	50.8	53.6	+1.4 to -1.4
Crushings	790	927	980	+40 to -40	21.5	25.2	26.7	+1.1 to -1.1
Exports	564	700	740	+40 to -40	15.3	19.1	20.1	+1.1 to -1.1
Seed, feed, and residual	76	79	84	—	2.1	2.2	2.3	—
Use, total	1,430	1,706	1,804	+60 to -60	38.9	46.4	49.1	+1.6 to -1.6
Ending stocks	103	159	165	+50 to -50	2.8	4.3	4.5	+1.4 to -1.4
Dol. per bu.					Dol. per metric ton			
Price received by farmers	6.81	5.80	6.50	+50 to -50	250	213	239	+13 to -13
Price, Chi., No. 1 yellow	7.36	6.11	⁴ 6.62	—	270.43	224.50	⁴ 243.24	—
Mil. lb.					Thou. metric tons			
Beginning stocks	1,251	767	738	—	567	348	335	—
Production	8,578	10,288	10,632	+400 to -400	3,891	4,667	4,823	+180 to -180
Supply, total	9,829	11,055	11,370	+400 to -400	4,458	5,015	5,157	+180 to -180
Domestic	7,515	8,260	8,600	+400 to -400	3,409	3,747	3,901	+180 to -180
Exports	1,547	2,057	1,700	+300 to -300	702	933	771	+140 to -140
Use, total	9,062	10,317	10,300	+400 to -400	4,111	4,680	4,672	+180 to -180
Ending stocks	767	738	1,070	+200 to -200	348	335	485	+90 to -90
Cts. per lb.					Cts. per kilogram			
Price, crude, Decatur	24	24.5	25.	+3 to -3	52.9	54.0	55.1	+6.5 to -6.5

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

	Domestic measure ²				Metric measure ²			
	1976/77	1977/78 estimated	1978/79		1976/77	1977/78 estimated	1978/79	
			Projected	Probable* variability			Projected	Probable* variability
Soybean meal:			Thou. short tons				Thou. metric tons	
Beginning stocks	355	228	243		322	207	220	
Production	18,488	22,373	23,277	+1,000 to -1,000	16,772	20,296	21,117	+900 to -900
Supply, total	18,843	22,601	23,520	+1,000 to -1,000	17,094	20,503	21,337	+900 to -900
Domestic	14,056	16,278	17,150	+800 to -800	12,751	14,767	15,558	+725 to -725
Exports	4,559	6,080	6,000	+400 to -400	4,136	5,516	5,443	+365 to -365
Use, total	18,615	22,358	23,150	+1,000 to -1,000	16,887	20,283	21,001	+900 to -900
Ending stocks	228	243	370	+75 to -75	207	220	336	+70 to -70
			Dol. per short ton				Dol. per metric ton	
Price, bulk, Decatur, 44%	199.80	164.20	180.00	+20 to -20	220	181	198	+20 to -20
Cotton: ⁷			Mil. acres				Mil. hectares	
Area								
Planted	11.7	13.7	13.0	—	4.7	5.5	5.3	—
Harvested	10.9	13.3	12.3	—	4.4	5.4	5.0	—
			Lb. per acre				Metric tons per hectare	
Yield per harvested unit	465	520	429	—	52	58	48	—
			Mil. 480-lb. bales				Mil. metric tons	
Beginning stocks ⁸	3.7	2.9	5.3	—	.8	.6	1.2	—
Production	10.6	14.4	11.0	+4 to -4	2.3	3.1	2.4	+1 to -1
Supply, total ⁹	14.3	17.3	16.3	+4 to -4	3.1	3.8	3.5	+1 to -1
Mill use	6.7	6.5	6.3	+2 to -2	1.5	1.4	1.4	+1 to -1
Exports	4.8	5.5	5.8	+7 to -7	1.0	1.2	1.3	+2 to -2
Use, total	11.5	12.0	12.1	+7 to -7	2.5	2.6	2.7	+2 to -2
Difference unaccounted ¹	.1	(⁶)	.1	—	(⁶)	(⁶)	(⁶)	(⁶)
Ending stocks	⁵ 2.9	⁸ 5.3	4.4	+7 to -7	² .6	⁸ 1.2	1.0	+2 to -2
			Cts. per lb.				Cts. per kilogram	
Price received by farmers	64.1	¹¹ 51.7	—	—	141.3	¹¹ 114.0	—	—
Price, SLM, 1-1/16 in., spot	70.9	52.7	—	—	156.3	116.2	—	—

¹ Marketing year beginning June 1 for wheat, barley, and oats; August 1 for cotton and rice; September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. ² Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204 622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ³ Season average estimate. ⁴ Average for beginning of marketing year through October 1978. ⁵ Corn, sorghum, oats, and barley. ⁶ Less than 0.05. ⁷ Upland and extra long staple. ⁸ Based on Census Bureau data. ⁹ Includes imports. ¹⁰ Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. ¹¹ Average to April 1, 1978.

*Reflects the "root mean square error" and/or "standard error of estimate" from trend and judgement. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges.

Feed grains:	Marketing year ¹			1977	1978						
	1974/75	1975/76	1976/77	Oct	May	June	July	Aug	Sept	Oct	
Wholesale Prices:											
Corn, No. 2 yellow, Chicago (\$/bu.)	3.12	2.75	2.30	1.84	2.57	2.51	2.28	2.17	2.13	2.22	
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	5.01	4.46	3.49	3.05	3.92	3.82	3.54	3.41	3.43	3.61	
Barley, feed, Minneapolis (\$/bu.)	2.58	2.38	2.35	1.66	1.90	1.84	1.71	1.68	1.77	1.81	
Barley, malting, Minneapolis (\$/bu.) ³	4.16	3.52	3.13	2.25	2.51	2.39	2.13	2.19	2.37	2.26	
Exports:											
Corn (mil. bu.)	1,149	1,711	1,684	120	208	215	172	181	177	*140	
Feed grains (mil. metric tons) ³	35.7	50.0	50.6	3.5	5.8	5.8	5.0	5.2	4.8	*3.8	
	Marketing year ¹			1977				1978			
	1974/75	1975/76	1976/77	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	
Corn:											
Stocks, beginning (mil. bu.)	484	361	399	3,293	2,365	884	5,463	3,842	2,801		
Domestic use:											
Feed (mil. bu.)	3,226	3,592	3,587	546	800	1,251	1,078	569	798		
Food, seed, ind. (mil. bu.)	451	490	513	101	177	123	129	102	194		
Feed grains: ³											
Stocks, beginning (mil. metric tons)	21.5	15.3	17.2	99.0	70.2	43.4	169.8	119.3	51.5		
Domestic use:											
Feed (mil. metric tons)	105.3	116.1	112.6	16.7	25.7	39.1	33.8	17.4	27.0		
Food, seed, ind. (mil. metric tons)	16.1	17.1	17.9	3.9	5.9	4.1	4.4	4.0	6.5		

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 65% or better plump beginning October 1977. ³ Aggregated data for corn, sorghum, oats, and barley. *Based on Inspections for Export. p Preliminary.

Food grains:

	Marketing year ¹			1977	1978					
	1975/76	1976/77	1977/78	Oct	May	June	July	Aug ¹	Sept	Oct
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	3.74	2.88	2.72	3.42	3.12	3.12	3.14	3.14	3.24	3.42
Wheat, DNS, Minneapolis (\$/bu.) ²	3.74	2.96	2.66	3.21	3.10	3.06	2.95	2.96	3.07	3.21
Flour, Kansas City (\$/cwt.)	9.25	7.21	6.60	7.60	7.46	7.23	7.60	7.58	7.55	7.60
Flour, Minneapolis (\$/cwt.)	10.41	8.34	7.34	7.90	8.39	8.10	8.25	7.94	7.82	7.90
Rice, S.W. La. (\$/cwt.) ²	17.20	14.60	21.30	16.15	22.00	21.50	20.40	18.75	15.75	16.15
Wheat:										
Exports (mil. bu.)	1,173	950	1,124	72	128	117	111	139	127	120
Mill grind (mil. bu.)	572	593	599	49	54	52	50	56	—	—
Wheat flour production (mil. cwt.)	255	263	267	22	24	23	22	25	—	—

	Marketing year ¹			1977	1978					
	1974/75	1975/76	1976/77	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Wheat:										
Stocks, beginning (mil. bu.)	340	435	665	1,782	1,390	1,112	2,398	1,990	1,525	1,176
Domestic use:										
Food (mil. bu.)	521	559	553	138	82	182	147	146	94	185
Feed and seed (mil. bu.) ⁴	151	162	195	75	44	178	36	41	19	166
Exports (mil. bu.)	1,018	1,173	950	179	152	382	225	279	238	493

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Vegetables:

	Annual			1977	1978					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	5.65	5.90	5.62	4.46	3.62	11.62	8.73	4.87	3.89	4.35
Iceberg lettuce (\$/ctn.) ¹	2.70	3.57	3.23	3.96	6.49	6.95	4.65	2.79	3.40	3.60
Tomatoes (\$/ctn.) ²	5.81	6.44	7.21	5.84	7.15	7.46	6.20	3.97	4.38	4.15
Wholesale price index, 10 canned, veg. (1967=100)										
	168	160	170	169	168	170	173	179	181	186
Grower Price index, fresh commercial veg. (1967=100)										
	173	170	197	179	247	253	220	172	179	173

¹ Std. carton 24's, f.o.b. shipping point. ² 2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

Fruit:

	Annual			1977	1978					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
Wholesale price indexes:										
Fresh fruit (1967=100)	157.8	160.4	177.5	183.6	194.6	214.8	253.6	242.3	241.2	265.6
Dried fruit (1967=100)	213.4	234.9	338.4	283.0	291.2	292.0	293.9	307.1	317.5	472.3
Canned fruit and juice (1967=100)	173.8	174.4	190.4	194.5	207.4	210.3	213.9	216.9	220.0	222.3
Frozen fruit and juice (1967=100)	156.5	156.2	196.5	212.6	229.9	229.9	229.9	230.1	230.6	231.3
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	7.36	7.46	9.11	9.28	15.26	16.00	15.76	—	10.20	9.19
Pears, Yakima Valley (\$/box) ²	6.63	7.35	6.94	7.49	19.25	—	—	—	—	8.83
Oranges, U.S. avg. (\$/box)	6.76	6.72	7.44	11.71	9.86	10.31	10.63	13.40	14.50	14.30
Grapefruit, U.S. avg. (\$/box)	6.18	5.76	6.34	7.82	6.04	7.10	9.48	10.40	13.60	9.42
Stocks, beginning:										
Fresh apples (mil. lb.)	2,214.1	2,569.3	2,249.0	1,106.8	431.1	185.7	72.9	13.9	11.5	1,442.1
Fresh pears (mil. lb.)	170.5	162.3	211.6	399.0	3.9	—	—	4.2	53.6	458.8
Frozen fruit (mil. lb.)	607.3	558.3	538.9	630.7	418.7	384.3	435.5	530.0	552.2	559.8
Frozen fruit juices (mil. lb.)	883.0	967.0	844.1	780.7	1,033.4	1,140.1	1,162.4	1,061.7	962.2	782.0

¹ Red Delicious, Washington extra fancy, carton tray pack, 80-125's. ² D'Anjou pears, Washington wrapped, U.S. No. 1, 90-135's.

Cotton:

	Marketing year ¹			1977	1978					
	1975/76	1976/77	1977/78	Oct	May	June	July	Aug	Sept	Oct
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	58.0	70.9	52.7	49.1	57.6	57.4	57.0	59.8	60.0	64.1
Northern Europe prices:										
Index (cts./lb.) ³	65.3	81.7	70.6	59.2	70.7	71.4	70.7	73.2	74.0	76.9
U.S., SM 1-1/16 in. (cts./lb.) ⁴	71.4	82.4	66.0	61.3	72.1	72.4	71.4	74.5	75.1	77.8
U.S. mill consumption (thou. bales)	7,227.7	6,674.4	6,462.5	528.8	504.3	600.0	400.2	478.6	590.0	—
Exports (thou. bales)	3,311.3	4,783.6	6,484.1	155.2	537.5	556.0	480.6	553.2	410.3	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Fats and oils:

	Marketing year ¹			1977	1978					
	1974/75	1975/76	1976/77	Oct	May	June	July	Aug	Sept	Oct
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	6.34	5.25	7.36	5.05	7.09	6.79	6.54	6.43	6.47	6.76
Crushings (mil. bu.)	701.3	865.1	790.2	75.8	82.7	72.4	70.8	73.9	71.4	89.3
Processing margin (\$/bu.) ²	.17	.16	.19	.14	.35	.25	.31	.32	.52	—
Exports (mil. bu.)	420.7	555.1	564.1	77.6	79.3	63.4	34.7	39.3	38.0	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	30.7	18.3	23.9	18.8	28.8	26.9	25.9	26.3	27.8	26.7
Production (mil. lb.)	7,375.3	9,629.8	8,577.9	821.9	908.2	795.1	782.1	815.8	783.3	984.3
Domestic disappearance (mil. lb.)	6,518.1	7,906.1	7,454.4	716.5	710.5	612.9	593.7	743.9	619.6	—
Exports (mil. lb.)	1,028.3	975.8	1,547.5	108.8	184.2	162.6	185.3	115.2	203.0	—
Stocks, beginning (mil. lb.)	793.5	560.6	1,250.6	766.6	822.2	828.7	834.4	820.8	777.5	738.2
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	130.86	147.77	199.80	135.00	177.40	169.75	172.00	162.90	163.90	176.80
Production (thou. ton)	16,701.5	20,754.2	18,488.1	1,781.4	1,959.4	1,752.2	1,680.6	1,757.9	1,694.6	2,114.7
Domestic disappearance (thou. ton)	12,501.3	15,551.6	14,000.8	1,500.8	1,476.8	1,275.2	1,332.2	1,315.8	1,263.1	—
Exports (thou. ton)	4,298.8	5,144.8	4,559.2	229.2	508.9	540.8	399.4	470.6	422.7	—
Stocks, beginning (thou. ton)	507.3	358.3	354.9	228.3	308.2	281.9	191.1	262.6	234.1	242.9
Margarine, wholesale price, Chicago (cts./lb.)	44.3	37.9	31.4	37.4	42.8	47.4	46.0	45.7	48.2	—

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. ² Spot basis, Illinois shipping points.

Sugar:

	Annual			1977	1978					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
Wholesale price, N.Y. (\$/cwt.) ¹	22.47	13.31	³ 10.99	10.23	—	—	—	—	—	—
U.S. deliveries (thou. short tons) ^{1 2}	9,974	10,856	11,207	913	888	1,028	901	1,109	⁴ 976	⁴ 921

¹ Raw value. ² Excludes Hawaii. ³ Ten month average. ⁴ Preliminary.

Tobacco:

	Annual			1977	1978					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
Prices at auctions:										
Flue-cured (cts./lb.) ¹	99.8	110.4	117.6	115.4	—	—	127.9	131.8	141.2	135.5
Burley (cts./lb.) ¹	105.6	114.2	120.0	—	—	—	—	—	—	—
Domestic consumption²										
Cigarettes (bil.)	588.3	617.1	³ 592.0	50.8	54.4	58.3	44.4	64.3	50.3	—
Large cigars (mil.)	5,692	5,266	³ 4,840	461.2	413.4	436.7	317.5	378.0	427.5	—

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. ³ Subject to revision.

Coffee:

	Annual			1977	1978					
	1975	1976	1977	Oct	May	June	July	Aug P	Sept P	Oct P
Composite green price, N.Y. (cts./lb.)	71.76	142.48	256.38	221.70	158.40	169.82	143.14	143.77	156.23	156.13
Imports, green bean equivalent (mil. lb.) ¹	2,767	2,717	1,974	78	185	173	191	149	182	*200
	Annual			1977			1978p			
	1975	1976	1977	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Roastings (mil. lb.) ²	2,454	2,519	1,892	428	313	522	591	470	498	*675

¹ Green and processed coffee. ² Instant soluble and roasted coffee. P Preliminary. * Forecast.

General Economic Data

Gross national product and related data

	First half		1976		1977				1978		
	1976	1977	1978	IV	I	II	III	IV	I	II	IIIr
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	1,667.6	1,836.9	2,039.8	1,749.6	1,806.8	1,867.0	1,916.8	1,958.1	1,992.0	2,087.5	2,141.4
Personal consumption expenditures	1,064.4	1,178.2	1,300.8	1,133.7	1,167.7	1,188.6	1,214.5	1,255.2	1,276.7	1,322.9	1,357.7
Durable goods	153.4	174.4	190.6	162.8	173.2	175.6	177.4	187.2	183.5	197.8	199.4
Nondurable goods	433.8	469.8	510.4	458.3	465.9	473.6	479.7	496.9	501.4	519.3	532.0
Clothing and shoes	74.0	78.9	85.2	78.5	78.5	79.3	81.4	86.7	82.9	87.5	90.5
Food and beverages	221.7	241.0	262.8	232.3	237.5	244.5	246.4	252.6	257.7	267.8	272.3
Services	477.2	534.0	598.8	512.6	528.6	539.4	557.5	571.1	591.8	605.8	626.3
Gross private domestic investment	237.5	284.0	334.0	247.1	272.5	295.6	309.7	313.5	322.7	345.4	350.6
Fixed investment	224.1	270.4	315.6	247.6	262.2	278.6	287.8	300.5	306.0	325.3	336.8
Nonresidential	160.0	183.9	212.8	170.5	180.6	187.2	193.5	200.3	205.6	220.1	227.9
Residential	64.2	86.5	102.8	77.1	81.6	91.4	94.3	100.2	100.3	105.3	108.9
Change in business inventories	13.4	13.6	18.4	-6	10.3	17.0	21.9	13.1	16.7	20.1	13.8
Net exports of goods and services	10.0	-7.2	-14.8	2.8	-8.5	-5.9	-7.0	-23.2	-24.1	-5.5	-6.6
Exports	157.6	174.5	193.6	169.4	170.9	178.1	180.8	172.1	181.7	205.4	213.8
Imports	147.5	181.7	208.4	166.6	179.4	184.0	187.8	195.2	205.8	210.9	220.3
Government purchases of goods and services	355.6	381.9	420.7	366.3	375.0	388.8	399.5	412.5	416.7	424.7	439.6
Federal	127.4	140.6	149.4	134.6	138.3	142.9	146.8	152.2	151.5	147.2	154.0
State and local	228.2	241.3	271.4	231.7	236.7	245.9	252.7	260.3	265.2	277.6	285.6
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,261.8	1,316.1	1,368.4	1,284.0	1,306.7	1,325.5	1,343.9	1,354.5	1,354.2	1,382.6	1,394.2
Personal consumption expenditures	810.2	848.0	879.9	836.2	846.6	849.5	858.0	876.6	873.5	885.3	895.5
Durable goods	125.0	135.6	141.8	128.5	134.9	136.2	136.9	143.0	137.8	145.8	144.7
Nondurable goods	316.4	327.2	334.8	327.7	327.1	327.2	329.2	338.1	333.3	336.3	340.6
Clothing and shoes	63.5	65.0	68.2	65.7	64.9	65.1	66.2	70.2	66.8	69.5	71.8
Food and beverages	156.3	164.0	165.2	162.9	163.3	164.7	164.9	167.6	165.5	164.7	165.0
Services	368.8	385.3	403.3	380.0	384.6	386.0	391.8	395.6	402.4	404.2	410.2
Gross private domestic investment	171.6	191.6	209.4	173.4	186.1	197.1	201.7	200.3	205.7	213.1	210.8
Fixed investment	162.8	183.7	196.9	173.6	180.3	187.1	189.5	192.8	193.4	200.4	201.6
Nonresidential	116.6	128.0	137.2	121.4	126.8	129.1	130.8	132.5	133.8	140.5	141.9
Residential	46.2	55.8	59.8	52.3	53.5	58.0	58.8	60.3	59.5	59.9	59.7
Change in business inventories	8.8	7.9	12.2	-2	5.8	10.0	12.2	7.6	12.3	12.7	9.2
Net exports of goods and services	16.3	11.1	7.1	13.1	11.2	11.0	12.5	3.1	2.9	11.3	11.3
Exports	94.2	98.0	103.8	97.3	97.1	98.9	100.8	96.0	99.1	108.4	110.8
Imports	78.0	86.9	96.6	84.2	85.9	87.9	88.2	92.9	96.2	97.1	99.5
Government purchases of goods and services	263.8	265.4	272.0	261.3	262.8	267.9	271.7	274.5	272.1	271.9	276.6
Federal	96.0	100.0	99.2	97.5	98.7	101.3	102.9	103.6	101.2	97.1	100.4
State and local	167.7	165.4	172.8	163.8	164.1	166.6	168.8	170.9	170.8	174.8	176.2
New plant and equipment expenditures (\$ bil.)	116.42	132.20	147.51	125.22	130.16	134.24	140.38	138.11	144.25	150.76	155.13
Implicit price deflator for GNP (1972=100)	132.16	139.56	149.04	136.28	138.27	140.86	142.63	144.56	147.10	150.98	153.59
Disposable income (\$bil.)	1,161.6	1,266.6	1,412.5	1,221.5	1,248.0	1,285.3	1,319.1	1,359.6	1,391.6	1,433.3	1,464.5
Disposable income (1972 \$bil.)	884.0	911.7	956.2	900.9	904.8	918.6	931.9	949.6	952.1	960.3	968.0
Per capita disposable income (\$)	5,408	5,853	6,476	5,660	5,772	5,934	6,077	6,250	6,387	6,566	6,708
Per capita disposable income (1972 \$)	4,116	4,213	4,384	4,174	4,185	4,241	4,293	4,365	4,370	4,399	4,425
U.S. population, tot. incl. military abroad (mil.)	214.8	216.4	218.1	215.8	216.2	216.6	217.1	217.5	217.9	218.3	218.8
Civilian population (mil.)	212.6	214.3	216.0	213.7	214.1	214.5	214.9	215.4	215.8	216.2	216.6

See footnotes at end of next table.

Selected monthly indicators

	January-June			1977	1978					
	1976	1977	1978p ¹	Oct	May	June	July	Aug	Sept	Oct
Monthly data seasonally adjusted except as noted										
Industrial production, total ² (1967=100)	128.3	135.3	141.8	138.9	143.9	144.9	146.1	147.0	147.7p	148.4p
Manufacturing (1967=100)	128.0	135.0	142.1	139.4	144.3	145.5	146.7	147.6p	148.3p	149.1p
Durable (1967=100)	119.8	127.0	135.1	132.4	137.6	139.0	141.1	142.1p	142.7p	143.9p
Nondurable (1967=100)	139.9	146.6	152.3	149.6	154.0	154.9	155.0	155.6p	156.4p	156.6p
Leading economic indicators ³ (1967=100)	123.3	128.9	135.9	133.8	136.7	137.4	136.1	137.3	138.5p	139.2p
Employment ⁴ (Mil. persons)	87.0	89.7	93.6	91.4	94.1	94.8	94.4	94.6	94.9	95.2
Unemployment rate ⁴ (%)	7.6	7.3	6.1	6.8	6.1	5.7	6.2	5.9	6.0	5.8
Personal income ¹ (\$bil. annual rate)	1,350.1	1,489.6	1,655.6	1,577.0	1,682.1	1,695.7	1,718.8	1,730.1	1,743.0p	1,764.2p
Hourly earnings in manufacturing ⁵ (\$)	5.08	5.51	5.98	5.82	6.02	6.07	6.17	6.16p	6.28	6.30p
Money stock (daily average) ² (\$bil.)	301.0	320.9	346.4	335.9	350.6	352.8	354.2	356.7	360.9	362.0p
Time and savings deposits (daily average) ² (\$bil.)	459.0	503.7	563.4	531.9	571.6	674.5	579.4	583.0	589.7p	593.6p
Three-month Treasury bill rate ¹ (%)	5.061	4.726	6.444	6.188	6.430	6.707	7.074	7.036	7.836	—
Aaa corporate bond yield (Moody's) ⁶ (%)	8.54	8.02	8.56	8.04	8.69	8.76	8.88	8.69	8.69	8.89p
Interest rate on new home mortgages ⁷ (%)	8.94	8.98	9.29	9.07	9.37	9.46	9.57	9.70	9.73	9.84p
Housing starts, private (including farm) (thou.)	1,420	1,841	1,918	2,139	2,054	2,124	2,119	2,025	2,081p	2,080p
Auto sales at retail, total ¹ (mil.)	10.2	11.4	11.4	11.0	12.1	11.8	11.0	11.9	10.8p	—
Business sales, total ¹ (\$bil.)	196.3	219.1	244.4	228.5	251.9	252.6	250.9	258.3p	258.3p	—
Business inventories, total ¹ (\$bil.)	291.0	318.0	347.4	330.8	354.2	356.9	359.3	362.8p	365.0p	—
Sales of all retail stores (\$bil.) ⁸	52.3	57.4	62.8	60.7	64.3	64.6	64.3	65.9	66.2p	65.9p
Durable goods stores (\$bil.)	17.1	19.4	21.2	20.8	21.8	22.0	21.8	22.9	22.7p	22.7p
Nondurable goods stores (\$bil.)	35.2	38.0	41.7	39.9	42.5	42.5	42.5	43.0	43.6p	43.2p
Food stores (\$bil.)	12.0	12.8	14.0	13.2	14.3	14.3	14.4	14.4	14.6p	14.4p
Eating and drinking places (\$bil.)	4.7	5.2	5.7	5.4	5.8	5.9	5.9	6.0	6.1p	6.1p
Apparel and accessory stores (\$bil.)	2.7	2.7	2.9	2.9	3.0	2.9	3.0	3.1	3.2p	3.1p

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ Moody's Investors Service. ⁷ Federal Home Loan Bank Board. ⁸ Adjusted for seasonal variations, holidays, and trading day differences. r. revised. p. Preliminary.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1977	1978					
	1975	1976	1977	Oct	May	June	July	Aug	Sept	Oct
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.16	3.65	2.85	2.90	3.48	3.52	3.52	3.53	3.64	3.81
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	3.10	2.91	2.49	2.17	2.97	2.81	2.55	2.43	2.45	2.50
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.95	2.73	2.30	2.11	2.79	2.58	2.37	2.32	2.29	2.44
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	5.72	6.07	7.38	5.41	7.78	7.25	7.08	6.81	7.05	7.15
Soybean oil, Decatur (cts./lb.)	25.39	18.05	23.69	18.76	28.79	26.87	25.87	26.31	27.80	26.70
Soybean meal, Decatur (\$/ton)	124.05	155.82	192.17	135.00	177.40	169.75	172.00	162.90	163.90	176.80
Cotton, 10 market avg. spot (cts./lb.)	44.70	67.70	60.48	49.06	57.59	57.35	56.99	59.86	60.04	64.06
Tobacco, avg. price of auction (cts./lb.)	103.50	105.73	114.24	113.04	117.01	116.97	118.84	124.00	131.60	127.30
Rice, f.o.b. mill, Houston (\$/cwt.)	21.28	16.17	16.96	18.30	22.10	21.75	21.50	19.00	16.50	16.60
Inedible tallow, Chicago (cts./lb.)	12.04	13.27	13.61	12.45	15.75	16.00	16.25	16.25	16.25	17.30
Import commodities:										
Coffee, N.Y. spot (cts./lb.) .....	.77	1.42	2.41	1.85	1.67	1.72	1.50	1.41	1.55	1.55
Sugar, N.Y. spot (cts./lb.)	22.47	13.31	10.99	10.24	15.76	13.57	12.63	13.29	14.40	15.17
Cow meat, f.o.b. port of entry (cts./lb.)	60.20	71.69	68.42	66.37	102.10	90.20	88.63	91.86	101.80	108.38
Rubber, N.Y. spot (cts./lb.)	30.60	39.59	41.59	44.51	45.60	49.24	49.91	52.21	55.05	57.69
Cocoa beans, N.Y. (\$/lb.) .....	.56	.94	1.72	1.60	1.41	1.35	1.43	1.51	1.69	1.70
Bananas, f.o.b. port of entry (\$/40-lb. box)	4.41	4.67	5.01	4.68	6.50	4.63	4.33	4.39	4.58	4.64
Canned Danish hams, ex-warehouse N.Y. (\$/lb.) ..	1.75	1.75	1.85	1.92	1.87	1.94	1.99	1.99	1.99	2.01
Quantity Indices										
Export (1967=100)	156	174	177	168	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Import (1967=100)	123	138	138	113	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unit Value Indices										
Export (1967=100)	221	207	210	191	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Import (1967=100)	203	217	235	219	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. not available.

U.S. agricultural exports

	October-September				September			
	1976/77	1977/78	1976/77	1977/78	1977	1978	1977	1978
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excl. poultry	—	—	101,400	137,501	—	—	11,888	17,423
Meat and preps., excl. poultry (mt)	418	403	608,458	687,326	40	41	58,338	73,046
Dairy products, excl. eggs	—	—	169,689	146,073	—	—	16,823	9,527
Poultry and poultry products	—	—	302,358	332,724	—	—	27,382	29,203
Grains and preparations	—	—	9,274,996	10,866,156	—	—	769,759	1,041,058
Wheat and wheat flour (mt)	24,773	32,834	3,003,134	4,071,873	3,069	3,357	319,975	446,961
Rice, milled (mt)	2,229	2,108	688,678	833,378	212	234	69,471	90,572
Feed grains (mt)	50,802	55,545	5,345,299	5,695,246	4,119	4,747	361,277	477,426
Other	—	—	237,885	265,659	—	—	19,036	26,099
Fruits, nuts, and preparations	—	—	1,027,179	1,264,184	—	—	111,006	113,005
Vegetables and preparations	—	—	697,161	658,107	—	—	41,677	50,367
Sugar and preps., incl. honey	—	—	66,785	70,486	—	—	6,416	6,149
Coffee, tea, cocoa, spices, etc. (mt)	45	58	140,608	183,428	4	6	10,697	20,163
Feeds and fodders	—	—	1,570,148	1,750,864	—	—	106,919	143,083
Protein meal (mt)	4,263	5,840	949,688	1,176,025	295	423	56,398	87,460
Beverages, excl. distilled alcoholic (hl)	444	967	17,890	34,759	44	90	1,562	3,164
Tobacco, unmanufactured (mt)	290	272	1,065,316	1,131,794	30	19	119,003	19,722
Hides, skins, and furskins	—	—	797,661	823,625	—	—	56,087	62,834
Oilseeds	—	—	4,642,656	5,264,174	—	—	152,973	287,082
Soybeans (mt)	15,156	19,686	4,306,554	4,749,049	408	1,033	113,591	262,443
Wool, unmanufactured (mt)	3	4	22,590	30,583	(¹)	(¹)	1,711	2,861
Cotton, unmanufactured (mt)	1,046	1,378	1,538,173	1,706,935	50	94	67,712	115,371
Fats, oils, and greases (mt)	1,399	1,302	579,910	563,269	141	114	60,253	54,925
Vegetable oils and waxes (mt)	1,223	1,543	766,521	967,687	85	157	58,456	105,750
Rubber and allied gums (mt)	21	7	25,830	8,267	3	(¹)	3,283	372
Other	—	—	558,565	670,081	—	—	51,211	112,068
Total	—	—	23,973,894	27,298,023	—	—	1,733,156	2,267,173

¹ Less than 500. NDTE: 1 metric ton (mt) = 2,204.622 lb., 1 hectoliter (hl) = 100 liters = 26.42008 gal.

U.S. agricultural exports by regions

Region ¹	October-September		September		Change from Year-earlier	
	1976/77	1977/78	1977	1978	Oct-Sept 1977/78	September 1978
	\$ Mil.				Pct.	
Western Europe	8,751	8,489	578	626	-3	+8
Enlarged European Community	7,093	6,653	468	509	-6	+9
Other Western Europe	1,659	1,835	110	117	+11	+6
Eastern Europe and USSR	1,699	2,789	61	128	+64	+110
USSR	1,063	1,797	22	53	+69	+141
Eastern Europe	636	992	39	75	+56	+92
Asia	8,012	9,379	541	893	+17	+65
West Asia	1,086	1,295	102	127	+19	+25
South Asia	683	655	16	117	-4	+631
East and Southeast Asia, ex. Japan and PRC	2,467	2,916	213	260	+18	+22
Japan	3,774	4,159	209	341	+10	+63
Peoples Republic of China	1	352	1	48	—	—
Latin America and Caribbean	2,128	2,757	224	287	+30	+28
Brazil	87	412	4	26	+374	+550
Mexico	608	735	74	104	+21	+41
Canada, excluding transshipments	1,570	1,564	124	137	—	+10
Canadian transshipments	323	617	30	53	+91	+77
Africa	1,345	1,559	156	134	+16	-14
North Africa	782	911	86	62	+16	-28
Other Africa	563	647	71	71	+15	0
Oceania	146	150	18	12	+3	-33
Total ²	23,974	27,298	1,733	2,267	+14	+31

¹ Not adjusted for transshipments. ² Totals may not add due to rounding.

U.S. agricultural imports

	October-September				September			
	1976/77	1977/78	1976/77	1977/78	1977	1978	1977	1978
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals live, excl. poultry	—	—	236,047	314,778	—	—	23,595	18,313
Meat and preps., excl. poultry (mt)	782	872	1,289,144	1,596,676	76	83	111,141	158,157
Beef and veal (mt)	620	699	820,825	1,083,245	64	69	76,630	118,368
Pork (mt)	141	144	428,224	455,610	10	10	31,531	32,791
Dairy products, excl. eggs	—	—	301,365	324,329	—	—	26,144	28,117
Poultry and poultry products	—	—	82,047	88,092	—	—	7,958	3,543
Grains and preparations	—	—	171,655	190,411	—	—	15,678	16,743
Wheat and flour (mt)	36	(¹)	3,403	187	(¹)	(¹)	6	3
Rice (mt)	2	2	714	1,074	(¹)	(¹)	52	83
Feed grains (mt)	258	175	36,366	19,635	10	3	1,073	408
Other	—	—	131,172	169,515	—	—	14,547	16,249
Fruits, nuts, and preparations	—	—	911,538	1,026,523	—	—	81,226	99,282
Bananas, fresh (mt)	2,099	2,236	309,704	336,498	159	179	23,121	29,583
Vegetables and preparations	—	—	616,123	767,866	—	—	38,050	37,426
Sugar and preps., incl. honey	—	—	1,104,809	1,046,862	—	—	115,466	109,931
Sugar, cane or beet (mt)	4,553	4,401	915,770	880,775	538	506	100,644	97,153
Coffee, tea, cocoa, spices, etc. (mt)	1,558	1,476	5,586,404	5,260,679	73	112	307,907	345,292
Coffee, green (mt)	982	951	3,974,216	3,465,353	41	80	176,283	238,572
Cocoa beans (mt)	193	176	475,229	571,342	6	7	25,287	22,969
Feeds and fodders	—	—	68,216	67,012	—	—	4,279	5,921
Protein meal (mt)	24	9	4,957	1,761	(¹)	(¹)	105	28
Beverages, incl. distilled alcoholic (hl)	57,486	68,914	545,175	710,035	5,642	7,016	58,084	72,876
Tobacco, unmanufactured (mt)	140	151	314,363	371,459	15	12	37,601	30,343
Hides, skins, and furskins	—	—	211,640	240,923	—	—	16,872	16,444
Oilseeds	—	—	89,365	48,532	—	—	4,472	3,228
Soybeans (mt)	(¹)	(¹)	17	45	0	(¹)	0	2
Wool, unmanufactured (mt)	27	22	92,434	77,769	1	2	4,790	6,281
Cotton, unmanufactured (mt)	24	15	17,453	6,052	1	2	736	569
Fats, oils, and greases (mt)	10	9	5,001	5,735	1	1	493	824
Vegetable oils and waxes (mt)	998	847	545,004	458,026	65	42	41,000	28,577
Rubber and allied gums (mt)	786	781	626,519	671,781	78	78	62,294	72,771
Other	—	—	543,039	612,231	—	—	56,541	61,346
Total	—	—	13,357,341	13,885,771	—	—	1,014,327	1,115,984

¹ Less than 500. NOTE: 1 metric ton (mt) = 2,204.622 lb.; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

Trade balance

	October-September		September	
	1976/77	1977/78	1977	1978
	\$ Mil.			
Agricultural exports ¹	24,000	27,303	1,734	2,267
Nonagricultural exports ²	94,915	104,205	8,420	10,237
Total exports ²	118,915	131,508	10,154	12,504
Agricultural imports ³	13,377	13,886	1,016	1,116
Nonagricultural imports ⁴	129,812	152,413	11,496	13,428
Total imports ⁴	143,189	166,299	12,512	14,544
Agricultural trade balance	10,623	13,417	718	1,151
Nonagricultural trade balance	-34,897	-48,208	-3,076	-3,191
Total trade balance	-24,274	-34,791	-2,358	-2,040

¹ Domestic exports (F.A.S. value). ² Domestic and foreign exports excluding Department of Defense grant-aid shipments. (F.A.S. value). ³ Imports for consumption (customs value). ⁴ General imports, (customs value).

World Agricultural Production

World supply and utilization of major crops

	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79 ¹
	Milk units					
Wheat:						
Area (hectare)	216.6	219.9	225.0	232.5	225.6	225.8
Production (metric ton)	372.2	357.1	350.0	415.1	381.5	422.5
Exports (metric ton)	72.6	68.1	73.7	69.9	75.3	73.1
Consumption (metric ton) ² . .	364.0	363.1	352.2	379.8	399.0	407.3
Ending stocks (metric ton) ³ .	70.3	63.6	63.0	98.4	80.8	95.9
Coarse grains:						
Area (hectare)	341.6	341.6	349.5	352.0	350.5	350.3
Production (metric ton)	667.8	628.0	644.4	702.1	693.8	732.4
Exports (metric ton)	80.9	68.9	87.8	88.6	95.6	89.5
Consumption (metric ton) ² . .	672.2	632.6	646.3	681.6	688.0	709.0
Ending stocks (metric ton) ³ .	63.9	57.9	55.9	76.4	82.2	105.6
Rice, rough:						
Area (hectare)	135.8	138.0	143.1	141.5	143.4	145.8
Production (metric ton)	330.9	336.8	360.6	349.1	366.2	376.5
Exports (metric ton)	11.4	11.0	11.9	14.5	13.2	13.8
Consumption (metric ton) ² . .	328.4	336.7	352.1	350.6	359.9	371.5
Ending stocks (metric ton) ³ .	17.9	18.2	26.7	25.2	31.6	36.6
Total grains:						
Area (hectare)	694.0	699.5	717.6	726.0	719.5	721.9
Production (metric ton)	1,370.9	1,331.9	1,355.0	1,466.3	1,441.5	1,531.4
Exports (metric ton)	164.9	148.0	173.4	173.0	184.1	176.4
Consumption (metric ton) ² . .	1,364.6	1,332.4	1,350.6	1,412.0	1,446.9	1,487.8
Ending stocks (metric ton) ³ .	152.1	139.7	145.6	200.0	194.6	238.1
Oilseeds and meals: ^{4 5}						
Production (metric ton)	68.3	64.3	72.8	66.4	78.8	83.7
Trade (metric ton)	27.3	27.5	33.6	33.6	38.4	40.7
Fats and oils: ⁵						
Production (metric ton)	47.4	46.2	49.7	47.8	52.7	55.0
Trade (metric ton)	13.6	13.8	15.8	16.4	18.1	19.0
Cotton:						
Area (hectare)	32.8	33.4	29.8	30.8	32.6	31.6
Production (bale)	63.2	64.4	54.3	57.4	63.5	59.9
Exports (bale)	19.6	17.4	19.2	17.5	18.9	19.8
Consumption (bale)	62.0	58.6	61.8	61.1	60.8	61.9
Ending stocks (bale)	25.1	31.0	23.3	21.1	24.2	21.7

¹ Forecast. ² Where stock data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries, includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent.

⁵ Calendar year data. 1974 data corresponds with 1973/74, 1975 data with 1974/75, etc..

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